

SATURDAY NIGHT

THE CANADIAN ILLUSTRATED WEEKLY

Vol. 53, No. 44

Three Sections

TORONTO, CANADA, SEPTEMBER 3, 1938

Established A.D. 1887

10 Cents

THE FRONT PAGE

THE demands of the Sudeten Germans in Czechoslovakia amount, and are intended to amount, to the dismemberment of that republic. They are not a matter of local autonomy in local affairs; they aim at definite independence in national affairs, and their acceptance would be tantamount to handing over to Germany whatever territory is made subject to Sudeten rule.

Herr Hitler has achieved all his previous successes by making sure in advance that there would be no real resistance. It is even believed that both in the military occupation of the Rhineland and the annexation of Austria he was prepared to step back at the last minute if resistance had been encountered. It must by this time be apparent to him that Czechoslovakia is neither the Rhineland nor Austria. The only question is whether he still retains the power to step back in order to avoid a conflict. That this will seriously damage his prestige is obvious, but even a dictator cannot expect his prestige to be continually on the increase.

IF HERR Hitler is willing to enter a conflict, he must be very confident that it will be short. Neither alone nor in company with Italy can Germany possibly face a long war with any prospect of success. Czechoslovakia is somewhat isolated from its allies, and he may count upon dealing it a death-blow before they can come to its assistance, and then persuading them that it is not worth while to keep Europe in a state of conflict for a year or several years merely in order to piece together again a broken nation which was never a very natural unit. Even this calculation involves a very low estimate of the fighting powers of Czechoslovakia itself.

Italy and Japan can be of practically no assistance in a short war, and would be an absolute liability in a long one. The United States would be unsympathetic if not actively hostile from the beginning. Both France and Great Britain are in a condition of national solidarity which has seldom been equalled since the last war. The only uncertainty is as to their capacity for resistance in the air; but there is also uncertainty as to the extent of the damage that can be inflicted as a result of air superiority alone.

And there is an even graver uncertainty as to what would be the result of having to direct against external enemies all the watchfulness and force which the Nazi régime has been able for the past five years to concentrate against its opponents within the Reich. The idea that Germany is of one mind politically is a delusion sedulously fostered by Nazi propaganda, but nobody can be more aware that it is a delusion than Herr Hitler. We think it will be found that he has reserved a position to which he can step back without too much loss of face.

MORE QUEBEC JUSTICE

THE Legislative Buildings at Quebec are not the only place in the Province of Quebec in which peculiar ideas are entertained concerning the functions and independence of the judiciary. We shall watch with interest the treatment which will be accorded by the Quebec Government to a resolution adopted last week by the City Council of Montreal, asking its Executive Council to apply for the removal of one of the judges of the Montreal Recorder's Court. The reason why the Council wants him removed is not clearly stated, and it has been suggested in the press that it is because he has persistently refused to pay any attention to the efforts of aldermen to mitigate the penalties imposed upon their personal or political friends. This theory is strongly confirmed by the language of the closing paragraph of the resolution, which prays that until the Recorder is removed, the Executive Committee shall "accept any requests which may be addressed to it for a remittance of their fines by persons who might think themselves unjustly treated, and that necessary means be taken for the refund of such fines."

The idea that the City Council of Montreal, or its Executive Committee, is a fit and proper body to have control of the administration of justice in all cases which come before the Recorder's Court is sufficiently startling; but up to the present we have no evidence that it is entertained by anybody except the City Council. We shall, as we say, watch with great interest to learn if it is also entertained by the Quebec Government, which fortunately is the only authority with legal power to remove a Recorder. Apparently, however, the Executive Committee possesses, or is thought by the council to possess, the power to nullify the decisions of the Recorder by remitting the fines which he imposes whenever it feels like doing so, thus establishing itself as a sort of court of appeal from the Recorder's decisions. One of the saddest things in the whole situation is the position in which the other magistrates of the Recorder's Court are placed by this resolution. The City Council clearly feels that they can be relied upon to decide their cases in the way in which the aldermen desire them to be decided, which seemingly is not always the way of impartial justice.

ACADIA CENTENNIAL

ONE of the most interesting things in the pamphlet issued by Acadia University in connection with the centennial which it celebrated last week is the list of names of the graduates of that institution from the first class of 1843 to the class of 1938. Almost without exception, even to the present time, the surnames are those of families which have been settled in the Maritime Provinces or in the adjacent States



"UP SHE COMES—FULL OF SHINERS," the winner of the first prize in the August 27 judging of the "Special" class in the Summer Photograph Competition. The photograph is by Charles H. Blair, 56 Sparks Street, Ottawa. Rolleicord camera, Agfa Superpan film, light green filter, 1/50 sec. at F 11 at 3.30 p.m.

for several generations. There is hardly any infusion of the more newly arrived races which make up so large a part of the student body in most of our other educational establishments. There is probably no institution in which the spirit of nineteenth century New England and Nova Scotia is more perfectly preserved than in this Baptist University which has sent forth so many able graduates to maintain the associated causes of religion and culture in all parts of the continent.

Among those who participated in the ceremonies were graduates who have been at the head of other universities for many years, or who have been pastors of great churches in many cities of North America, or who (like the Hon. N. McLeod Rogers and the Hon. C. A. Eaton) have risen to high place in Canadian or American political life.

It is interesting to conjecture what the future has in store, in this rapidly changing world, for an institution which has so sedulously preserved the character imparted to it by its founders. That it is at present entirely successful is evident from the strength of its present student body and from the loyalty of its graduates.

EXHIBITION ART

AT THE moment of writing this piece we do not yet know what our art critic will have to say concerning the art exhibit at the current Exhibition; but he will no doubt, as is his function, discuss it from the standpoint of art. We know nothing about art, but we propose to discuss it briefly in this column from the standpoint of exhibition technique. From that standpoint it is almost certainly the best

show that the Exhibition has had. It has something in it to please, and something in it to infuriate, practically everybody, or at least every pleaseable or infuriatable person, who pays the necessary ten cents to get in. All the important things in it, whether pleasing or infuriating, are among the best of their kind, so that nobody need be ashamed of being either pleased or infuriated. We do not ourselves undertake to say what is the best and the worst in Surrealism, but we are assured by ardent Surrealists that Salvador Dali and Joan Miro and Man Ray and Erik Smith are as good Surrealists as can be found anywhere; and without undertaking to understand what their painting means we have a strong personal feeling that it is very competent painting. A good deal of the Surrealist work seems to be Spanish, which confirms us in the idea that the Spanish War was inevitable; a country which produces art like this ought reasonably to produce revolution also.

SOME people will be violently distressed by the Surrealists. They will mostly be the people who think that Franco ought to win. We do not know General Franco's artistic views, but we strongly suspect that if he wins he will treat Surrealism as Herr Hitler treats the "Degenerate Art" of Germany. For these people there are a number of excellent examples of the best British painting of the nineteenth century, including a Leighton, a Frith and a Ford Madox Brown. The concept of the functions of art entertained by these painters was very different from that entertained by Messrs. Dali and Smith; but what their inner vision told them to do they did with great competency, sincerity

(Continued on Page Three)

THE PASSING SHOW

BY HAL FRANK

NOW that the heat wave is over, says Timus, we can look at the International situation more coolly.

European Crisis Enters New Phase.—Daily Press. Are they sure it isn't the same old phase with the little moustache?

The British fleet is shortly sailing into the North Sea. The purpose, as we learn from the dispatches, is to discourage Mr. Hitler from sailing into Czechoslovakia.

Question of the hour: There are only four cots in the cottage,—where will we put Aunt Mathilda?

The new bridge over the Thousand Islands between the United States and Canada is modern in every particular with the single exception that it is not fortified.

Alas, remarks Horace, soon there will be nothing to remind us of summer but the last remnants of tan.

On the other hand, there will have to be better arguments for the construction of the St. Lawrence Waterway than the fact that Premier Hepburn is opposed to it.

It's certainly a dismal world, sighs Oscar, with a large proportion of humanity wondering where next week's job is coming from.

The greater part of Hollywood film stars' salaries go to the government in taxes, we learn. So they are like normal people after all.

The more we read of European history the more we are convinced that the only way to eliminate crises on that continent is to eliminate the continent.

According to a reader, the present Canadian motto is: United we stand, divided we follow Hepburn, Duplessis, Aberhart.

Germany is reported to have its eye on Canada. We suppose its mouth waters at the idea of fortifying three thousand miles of undefended border.

The League of Nations having failed as a peace-making organization, we have sadly put aside our plan for achieving harmony in this country by a League of Canadian provinces.

A United States insane asylum permits its inmates to dance The Big Apple because it provides for a release of energy and keeps the patients from brooding. In other words, The Big Apple a day keeps the psychiatrist away.

Esther says that she has been ignoring her girl friend for a week. She says that she dreamed that she had a quarrel with her and she hasn't been able to speak to her since.

CITY VISITORS

BY MARY LOWREY ROSS

EVERY morning Tinka and her mother walked up from the cottage by the lake to the farm back of the road. They always went first of all to visit the little red calf tied up at the end of the barn. The calf would roll its big distrustful eyes at them and they would stand well back looking at it with a mixture of affection and apprehension, since for a cow it was so endearingly small and for an animal so alarmingly large. Then they would go outside and Tinka's mother would sit on a pile of old lumber with her back to the implement shed while Tinka played with the farm cat or watched Mr. Lucas.

Tinka was devoted to the farm cat which was small and gentle and smelled sweetly of hay. She liked Mr. Lucas too because he never teased her or asked disconcerting questions. He was a large slow-moving quiet man, as brown as freshly turned earth, and to Tinka's mother he seemed less a fellow-creature than a harmonious aspect of the view, like the oat-field that stretched down to the road or the benevolent hills that circled the lake.

THAT morning he was busy sharpening the knife of his binding machine. He had laid it along the tongue of an old farm wagon and was working away, contentedly oblivious to both of them. Presently a big car with two passengers came up the lane from the road. Mr. Lucas paid no attention till it was close beside him. Then the driver leaned out and asked if anyone could sell him fifty pounds of ice.

Mr. Lucas nodded and straightening up went behind the barn. The two men got out of the car and grinned pleasantly at Tinka, standing in the yard holding the cat. One was short, the other tall. They wore dazzling white sport-shirts, and expensive-looking grey flannel slacks, and both had tired, smooth, youngish faces and graying hair carefully brushed. "Hello Shirley Temple," the shorter man said. "My name is Katinka," Tinka said. She held up the cat for them to see. "Mr. Lucas says that when his cat has baby kittens I can have one," she said. Both men laughed. The cat, hanging from its middle in Tinka's arms, looked up at them sadly with its resigned cat's face. Tinka put the cat down. "Would you like to see the baby cow?" she asked politely. They both looked at Katinka's mother and grinned. "What can we lose?" the shorter man said. "Let's all go and look at the baby cow."

THE barn was cool and dark and smelt of summer manure and dried hay. The little red calf huddled in a corner of the stall looked at them apprehensively as they approached. "Hello there Sucky," the short man said and reached out a hand to stroke its nose. The calf got to its feet in one convulsive movement and the short man leaped backward almost as suddenly. The other man laughed. "It's just as scared of you as you are of it!" he said reassuringly. They all stood in a half-circle staring curiously at the little creature, and the calf, pressing itself against the corner of the stall, rolled an eye at them warily. "Well, I think I'll step out and get some air," the short man said presently. "I'm not much of a hand at barns."

They all went out then and stood in the barnyard waiting for Mr. Lucas to bring the ice. It was hot and sunny without even a breeze to stir the oatfield. Beyond the field and the road a froth of buckwheat edged the lake. A white sail hung perfectly motionless in the midst of the miraculous blue. "It's a lovely view, isn't it?" Tinka's mother said.

The short man nodded. "But I'd hate to have to look at it every day in the year," he said. In all the landscape there wasn't a thing for the eye to follow. It could only rest and contemplate. "I wonder how the people round here keep from going bughouse," he said, and looked at Tinka's mother with eyes that were almost innocent in their candor and incomprehension.

MR. LUCAS came round the corner of the barn carrying the fifty pounds of ice. "Some ice-cube," the tall man said appreciatively, and they stood watching while he drew a pail of water from the well and carefully sloshed away the saw-dust. Then he lifted it easily into the pan in the back of the car. "Twenty-five cents" he said.

The two men climbed into the car and waved good-bye to Tinka. "Good-bye Shirley Temple," the short man said. "My name is Katinka," Tinka said stolidly, but she waved good-bye as the car turned and went down the lane.

Mr. Lucas was back sharpening the binder-knife. Tinka's mother went and sat on her pile of lumber close at hand, watching him. He had become once more part of the morning's serenity. Even the sound of the whetting resolved itself agreeably with the clucking murmur in the barnyard and the cicada sounds from the oatfield. After a while she said diffidently, "It's a fine life isn't it, on the farm?"

He nodded slowly and absently and went on with his whetting. Talking to Mr. Lucas, Tinka's mother reflected, was a good deal like communicating with nature; pleasant but one-sided. Tinka came up and stood looking at him, still holding the cat. "Mummy, what does bughouse mean?" she asked suddenly.

Mr. Lucas looked up and smiled at Tinka's mother, a broad, wonderfully comprehensive smile. Then his gaze traveled along the road beyond the oatfield. The car had disappeared, and the startled dust was slowly settling behind it. Tinka's mother smiled back. "It's a silly expression, darling," she said to Tinka, "I'd forget all about it."

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THIS MAN CHAMBERLAIN

BY C. B. PYPER

FOUR months ago a British statesman set himself to try and end a condition that was threatening to destroy civilization. Since then, and because of his effort, he has been attacked without cease and with increasing ferocity by the very people who for years demanded that some such effort should be made. That is the situation in which Neville Chamberlain finds himself.

It is a situation rich in paradox. His aim is peace; he is assailed by pacifists. His method is negotiation; he is abused by those who in the past preached that negotiation was the prime need. He is blamed for trying to prevent the next war by critics who blamed Sir Edward Grey for not having prevented the last. An imperialist by birth and conviction, he is accused of sacrificing the Empire, by politicians who have persistently decried the Empire and denounced imperialism. Sworn foes of capitalism charge him with weakness or worse because he will not risk war to protect the profits of a few shipowners.

HIS professed purpose—to find a firm basis for peace—is irrefragable, and, whatever may be thought of his procedure, there can be no doubt of his desire. If he could give Europe a settled peace, he would not only score a triumph in his own time, he would place himself among the greatest statesmen of all ages. Compared with that there is no achievement that could be considered tempting. It would make a crowning glory for any career.

His procedure has been plain and direct, and a dispassionate reader of his speeches will find rational argument for every move he has made and every position he has taken. He has never departed from his word. He has never descended to abuse. He has never budged from his purpose by clamor. His opponents assail him with reckless invective; he lets the invective pass, examines their case and presents his own soberly in reply. Not once has he forgotten the dignity of his position or the reputation of the House in which he holds that position. His conduct in debate has been a model for parliamentarians.

TO ACCOUNT for the ferocity of the attack on his policy it is necessary to look back. When he came to power the world was in a ferment. Mussolini had outraged all decent opinion by the rape of Ethiopia and Britain was blamed by many for not having prevented the conquest, though she had tried to get the League to act and though she was not strong enough to act alone—had that been her duty—with assurance of victory. The result of the affair was rage against the dictator and, in some quarters, misguided condemnation of the British government.

The war in Spain intensified these feelings. To people who thought with their emotions, this appeared merely a conflict between downtrodden masses and tyrannous classes. Those who saw it thus could not conceive that there could be another rational view, or that there were rights and wrongs on both sides. To them the wildest propaganda from or for the Loyalists was gospel, while the statements of the Insurgents were false on the face of them. They could not understand why the British government did not see the affair with their eyes and rush to help a democracy struggling for existence. There could be but one explanation—the government must be pro-Fascist. They were thus in a mood to swallow that charge when the Communists made it.

ON THIS head, the present writer, who saw something of both sides in Spain, may offer his evidence for what it is worth. He went to Spain not knowing what it was all about, his mind completely open because it was completely blank. He found that the issue was not a simple one to be decided offhand. Before Germans or Italians had begun to arrive in force he wrote that the country was becoming a battleground for Fascism and Communism, that the struggle threatened Europe, and that Britain was going to have a difficult and dangerous time keeping clear of both sides. At that time he knew little or nothing about the non-intervention committee. When he returned home, he gave it as his opinion that the best result for the world would be victory for the side that could win it fastest.

This is mentioned to show that one who detested both Fascism and Communism—he is as humane as the next and hates unnecessary bosses—could, without prejudice, take the view the British government took. This was that the war must be isolated,

that Britain must be neutral and that intervention must be prevented or kept down as far as possible. The French government, of the Popular Front, took the same view. The governments of Canada and the United States, though they did not act to stop intervention, took quick steps to proclaim and ensure their own strict neutrality. There were thus three democratic governments that took the same attitude as the British, the difference in the case of Canada and the United States being due to the fact that these were remote from the scene.

THESE facts did not count with the critics, who raged against the British government alone. When Mr. Chamberlain became Prime Minister, and primarily responsible for the safety of the British people, he inherited the blame that had been poured on Baldwin. The world outlook was appalling. British-Italian relations were at breaking-point and the nations of Europe were heading straight for war. The League had failed. Britain was still relatively weak and the war provoking nations were strong. The ambitions of the latter—some legitimate and some unscrupulous—threatened both Europe and the Empire. There were only two ways of preventing them from achieving their full aims. One was to fight; the other was to find a basis of agreement. There was no third course.

Mr. Chamberlain did not want war. He knew that, even if it did not bring defeat, it would inevitably have consequences more catastrophic than the last. He knew that, in the happiest conceivable event—complete and uncomplicated victory—the victors, as at Versailles, would have to frame a peace treaty with hate, fear, ambition, suspicion and jealousy combining to prevent statesmanlike decision. He resolved, therefore, to try and make a peace treaty without war. The "old diplomacy" had been blamed for letting war become inevitable in 1914; he meant, if possible, to prevent it from becoming inevitable in 1938.

THE FIRST need was to make Britain strong, so that she could speak with authority. The first step had been taken, on his announcement, when he was Chancellor of the Exchequer, and her vast arms program signified that she was not contemplating surrender. She was preparing to fight if persuasion should fail. That made known—he made it known—it was possible to seek peace. Italy headed the list of potential enemies. Her preparations threatened British Mediterranean communications, her position in Africa threatened Egypt, and her propaganda bureau was stirring up trouble for Britain among the Arabs. If this quarrel was not settled, war was inevitable.



SURREALIST ART AT THE CANADIAN NATIONAL EXHIBITION. "Blue Mouth of Paradise," by P. Norman Dawson. (Article on Page Five.)

There was nothing, except mutual hostility, to prevent an agreement. The conquest of Ethiopia was over and done with—no nation would fight to prevent it and none would fight to annul it. The two nations could afford to recognize each other's vital interest in the Mediterranean. If agreement could be reached, both would benefit; the war preparations would be unnecessary, the tension would be relaxed and, with pacification achieved in one quarter, the same methods could be tried elsewhere. Mussolini himself was anxious to treat and Chamberlain opened peace conversations.

THAT brought the storm. Communists, who wanted war, were enraged. So were the Laborites, who did not want war but who wanted to see Mussolini humiliated. The issue was clouded by Eden's resignation and people's minds were confused by propaganda and fantastic rumors.

Believers in the League were told it was being betrayed, though it had been, for their purpose, as dead as a doornail since 1936. Those who had hoped that somehow the wrongs of Ethiopia would be redressed were disappointed. Lloyd George, eager for office, loosed his tongue with characteristic recklessness. Winston Churchill, who had tried to form a "King's party" to oust Baldwin, tried to form an "Eden" party to oust Chamberlain. There was a hue and cry—of political opponents, office-seekers, trouble-makers and sincere but misguided idealists—on the Prime Minister's heels. He was accused of cringing to the dictators, of deserting France, of sacrificing British interests and of conspiring to aid Fascism.

He kept on his course. Rumor after rumor was disproved and charge after charge refuted. The agreement with Italy protected British interests, lessened the tension and weakened Hitler's hold on Mussolini. A new agreement with France presented an unshakable front to the aggressors. An agreement with Ireland ended a quarrel that had lasted for centuries. Negotiations were under way for a trade agreement that would bring Britain and the United States closer together than they had been since the War of Independence. The British and American arms programs were progressing side by side. Without committing his country to a perilous alliance, the Prime Minister helped to save Czechoslovakia. Austria was lost but she could not have been saved without war, and nobody, in Britain or elsewhere, was willing to fight for her.

IF A policy may be judged by its opposite, his is vindicated at a glance. There is no opposite. For a time Laborites clamored for "return to Geneva" but that has long since ceased to deceive anybody. Then they jumped at Churchill's plan of an armed alliance, but that, seen to be impracticable and dangerous, has apparently been discarded. Irresponsible critics talk vaguely of "standing up to the dictators," which, if it means anything, means heading for war, and nobody wants war except perhaps the Communists. There are critics who, without putting forward a policy, contend that agreements with dictators are not to be relied on. This, if it means anything, means that the dictators must be crushed before there can be peace. It would be an arguable contention, if those who argued it were prepared to assist in the crushing. They are not. As Lord Halifax has said, it is agreements or war, and, if the dictators do not abide by the agreements, there is always war as a last resource.

All over the world—in Canada as elsewhere—the responsible statesmen have approved of the policy of appeasement. As a result of this policy—peace in one hand and force in the other—Britain's prestige is higher than it has been for years, while Chamberlain's courage and resolution have made charges of weakness and vacillation merely laughable. Britain is incomparably stronger than she was twelve months ago. Mussolini has not scored a point since the agreement was made, and Chamberlain has not yielded an inch in reply to the dictator's request for ratification without fulfillment of the conditions laid down. Neither Germany nor Italy has profited by intervention in Spain. Japan has lost ground in the Far East and Britain's anxiety in that quarter has been appreciably lessened. If war should come now, the position would be vastly different from that of twelve months ago, and every day that passes is making that difference greater.

MEANWHILE, war has been averted on a dozen occasions on which it was touch-and-go, and on which compliance with the advice of critics would have made it certain. There is now definite ground for hope that peace may be preserved. The hope may prove vain. Protraction of the Spanish conflict may end the agreement with Italy and throw the dictators together once more. Czechoslovakia may set Europe ablaze. There are dangers at every step, but there is one unworried and unhurried statesman working for peace. In this he deserves, if not support, at least a dispassionate examination of his policy and procedure.

If necessary, he will fight as resolutely as any statesman living. If war is averted it will be due to his vision, sanity and courage, and history will pay him the tribute his irresponsible critics deny him. He has made a tremendous effort for peace and even his opponents now recognize his sincerity, determination and indomitable will. In these qualities parliamentary history has shown few to match and none to surpass him.

FROM WEEK TO WEEK

The Problem of French Canada

BY B. K. SANDWELL

THE economists of Canada are performing a really notable work in the illumination of the problems which confront this Dominion in the political, social and economic spheres. One of the most important contributions to this work in recent years is the study which has been made by Professor Everett C. Hughes of McGill University on the social-economic problems of the French Canadian race in the Province of Quebec. Some of his observations were communicated to the annual meeting of the Canadian Political Science Association in May, and are now accessible to the general public in the quarterly magazine published by that Association. No one who desires to form a fair judgment upon the numerous demands and proposals now put forward in the name of the French-Canadian people of Quebec can afford to overlook the work which Professor Hughes, with as much detachment and impartiality as could be asked of any scientific economist or sociologist, has been doing in Drummondville and other new industrial towns in Quebec during the last few years.

The underlying cause of most of the problems which are peculiar to the French-Canadians as distinguished from other Canadians is of course the birth rate. It is, however, entirely useless to dismiss these problems with an airy recommendation to the French-Canadians to diminish their birth rate. In the first place, the majority element in the Canadian population, which for a hundred years prior to 1920 had been doing all that it could to increase the population of the Dominion by immigration, has no right whatever to object to the minority element preferring to increase it by natural breeding. Of the two methods of taking possession of territory which needs population, the second is obviously in every respect preferable to the first, except for the one consideration that it cannot be suddenly stopped when temporary economic circumstances make, or seem to make, the stoppage desirable. In the second place, the French-Canadian birth rate, high as it is, has been diminishing, although slowly, for a great many years, and will undoubtedly continue to diminish further; but it cannot be diminished much more rapidly. The tremendous figure at which it stood for some generations after the Conquest was a perfectly natural reaction in a population cut off from that moment from all immigration of its own kind, and finding itself alone and in a minority position upon a continent crying aloud for development and rapidly filling up with immigrants of other races. The French-Canadian birthrate is high, especially in the rural districts, will continue to be high for a good many years, and constitutes one of the data which will have to be recognized in all efforts for promoting the political and social unity of the Dominion.

THIS high birth rate established itself as a racial characteristic at a time when there was still a great quantity of good agricultural land unoccupied and available for settlement even in the present Province of Quebec. So long as that condition continued, the high birth rate could cause no trouble. The increment of the population naturally could not be absorbed on the land already occupied, for there is a very definite limit to the amount of man-power that can be employed upon an acre. The increment simply moved on and pioneered new land. Before it began to feel a shortage of new land in Quebec, the best part of Ontario was already densely enough settled; so that when the French increment had to go farther afield, it neglected Ontario except for a few special areas, and headed for the newly opening West. But at the same time, another and to some extent easier outlet was becoming available, in the shape of industrial employment, first of all in the adjacent New England States, and then in the Province of Quebec itself.

All these outlets are now cut off. But the annual increment of population is still there, and must go somewhere, and must find something to do. There is no unoccupied agricultural land; the gates of New

England are practically closed; and in the opinion of Professor Hughes "the absorptive power of urban Quebec will probably decline."

WE ARE accustomed on this continent to a kind of industry in which capital and management are native and labor is foreign and polygot. But the kind of industry which has been growing most recently in the Province of Quebec is exactly the opposite; its labor is French-Canadian, and its capital and management are at least non-French-Canadian and frequently entirely foreign. It is obvious that the political and sociological situations which develop in these two radically different conditions are bound to be also radically different. In the average North American industrial town, the poorest sections are occupied by Negroes and immigrants, and the best sections are occupied by natives—not necessarily natives of the locality, but Americans or Canadians—persons of the same language, religious organization, social habits, education and ideals as the local natives. In Drummondville, the town to which Professor Hughes has devoted special study, the managers and technical staff of the industries are immigrants both to the town and to the district; and "a majority of them are not Canadian." None of them are French-Canadian. The imported English-speaking foremen, skilled operators, and clerical workers constitute, with the managers and technical staff and their families, about one-twentieth of the population. The other nineteen-twentieths, except for a small professional and commercial class, are French-Canadian industrial workers. If these were in a similar town in Massachusetts, they would reconcile themselves to their surroundings, gradually adopt the local *ethos*, and perhaps hope that their sons or grandsons might make enough money to mix with the privileged class. But they are not in Massachusetts; they are in their own country, the country in which their fathers and great-grandfathers were farmers before them. They have, as Professor Hughes pointed out, never before lived in communities where there was any considerable class of people above them. They know that they cannot go back to the farm, and they feel that in the factory there is nothing before them and their children except a succession of lifetimes of hard and monotonous work and, what is far more serious, social inferiority. And a further point, which Professor Hughes has omitted to make: the constant pressure of the new arrivals of the population increment from the surrounding rural districts tends to keep down the wage level and to render labor organization difficult, at the very moment when the stoppage of immigration has released almost all checks upon both organization and rising wages in nearly every other part of North America.

THE political and sociological significance of all this would not be hard to grasp, even if Professor Hughes had not summed it up in his closing sentences: "It appears that the immigrant *déraciné* who lives far from home is likely to express his dissatisfaction in an individual effort to get ahead in his new surroundings: a mass of *déracinés* near home is more likely to express collective discontent with their position, as an ethnic group, in the new system." It is impossible to be surprised at this discontent; we have only to be surprised at this disunity of a similar body of English-speaking and British-descended Canadians finding themselves in a similar situation in some town or small city in Ontario. And it is impossible to tell the *déracinés* to cut out their discontent and behave as if they were immigrants. For the solemn fact remains that they are not immigrants and that, not being immigrants, they have a very large amount of political power. It is in no way surprising that they are looking to this political power to achieve something for them to mitigate their economic disabilities, and so remove their collective discontent.



NOT FOR KITCHENER. This sketch model by Miss Helen Waimel of Kitchener, winner of Governor-General's medal at the O.C.A. in 1936, was submitted in competition for the Daniel Hibner Memorial in Hibner Park, Kitchener, but the city council preferred a figure of a carpenter as being more suitable to the occupation of the donor of the park, who was a furniture manufacturer.



AUTUMN

IS JUST AROUND THE CORNER

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TORONTO

CALGARY WINNIPEG BRANTFORD WINDSOR



SURREALIST ART AT THE CANADIAN NATIONAL EXHIBITION. "AUTUMNAL CANNIBALISM", by Salvador Dali.

THE FRONT PAGE

(Continued from Page One)

and industry, and we see no reason why Canadians of the present day should not admire these qualities even if they feel that they might have been put to a better use.

Nor are the Canadian painters lacking in exhibition quality—the quality of arousing a very definite personal reaction, whether favorable or not, in the beholder. Those who are not infuriated by Mr. Arthur Heming's "Waterhole" have only to go a little further and they can be infuriated by Mrs. Courtice's "Silly Ass" or Miss Kerr's highly amusing "Camp" or Mr. Bieler's "Before the Auction." Personally we found all these things very interesting, and that is what we go to exhibitions for. There are a number of nudes, some of them so good that they would probably have been suppressed by the police or the Exhibition authorities a few years ago. We have a suspicion that if only we knew what some of the Surrealist pictures are about they would turn out to be much more improper than most of the nudes that have been suppressed in past years, but it is obviously very difficult to take official action about a picture which may turn out to mean something entirely different from what one has supposed.

EARLY ONTARIO ARCHITECTURE

THE great beauty of the traditional and disciplined architecture which flourished in Upper Canada during the pioneer period has only recently begun to be appreciated, largely under the leadership of members of the staff of the University of Toronto. The University of Toronto Press has just produced a brochure entitled "The Early Buildings of Ontario," in which some of the finest examples of this architecture are represented in engravings running as large as six and a half inches in width and nine inches in height. This publication, which can be had for the small sum of fifty cents, should add materially to the public appreciation not only of the works of art which are included in its pages, but of many similar ones (some of them included in a list of buildings which have been photographed or measured by the University School of Architecture) in scores of old cities, towns and villages throughout the Province.

Professor Eric R. Arthur, author of the text of this brochure, notes a relationship between some of this Canadian architecture and that of the Williamsburg style in the United States. He adds that it would be a mistake to claim that Ontario houses were as good as the best United States Colonial: "We have not as fine staircases or as fine cornices, and we have no panelling, but there is no house of similar size and material in the United States that is the superior of the Barnum house at Grafton."

In a foreword Professor John Alford, Professor of Fine Art at Toronto, expresses the belief that "The architecture of tomorrow will be easily distinguishable from that of the 1820's, but it will, I think, be more comparable, in its fundamentals, to what is here presented than to any series of buildings which have arisen during the past hundred years." The work of the Architectural Conservancy and of the University of Toronto, and particularly the publication of brochures such as this, should do a great deal to rescue Canadian architecture from the evil influences which have dominated it during that hundred years, and which have had the result that hardly any important building erected since 1830 can rival in artistic importance the old court houses built by our ancestors before the era of urban industrialism and imitative Romanticism.

MORE BROKEN CONTRACTS

THE discovery by Mr. L. A. Reid, K.C., D.C.L., that the Province of Ontario is bound, by the terms under which it secured from the Dominion the site of the original Ontario Government House, to continue to provide a suitable residence for its Lieutenant-Governor is interesting but we fear of

little practical value. It is as easy for the Province of Ontario by the exercise of its sovereign power to repudiate a contract with the Dominion as it was to repudiate a contract with a power company. All that the discovery of this contract does is to create an interesting possibility that some future Dominion Government in a moment of tremendous political courage might sue the Province of Ontario for the amount of money which it received from the sale of the old Government House property, a trifle of \$800,000 which unquestionably belongs morally to the Dominion. We have considerable doubt whether such a suit would result favorably, or indeed whether it could be taken at all without the consent of the Attorney-General of Ontario. But the action of starting it would at least draw very definite attention to the immoral character of the Province's position.

PERSEPHONE IN PERTH

THE last sheaf lay firm-bedded on the load. The last sheaf—golden goal of urgent days,—Found in this field along the Embro Road,—Found in the lingering sunset's last faint rays. Now we could pause, and feel the night's caress Close quietly about us as we stood; Could laugh, exulting in our weariness; Could breathe deep, deep, and feel that life was good.

I wanted antique revels,—praise of Pan,—To sacrifice the snow-white calf;—but there Young Dorothy in fear opposed the plan. Her mother, too, said we should best beware Of foamy flagons. Bruce, the hired man, Declined to dance with oak leaves in his hair.

But, as the weary load went rocking home— O'er stubble dumb and patient for the plough,— From what far countries did those cool airs come That drew their gentle fingers o'er my brow? What wings fanned fragrance from their unseen beat? What words did Bruce chant with barbaric tune? What prompted him, despite his aching feet, To cry that he could overleap the moon?

(The moon?—We looked and found her, at the word, Over the Fairview hills, near and benign). Then on his heels I saw that something stirred, That something on his fork did writhe and twine; And—as my thoughts went winging like a bird— Beside me Ceres walked, and Proserpine.

J. M. DUNSMORE

THE EDITOR'S NOTE BOOK

CHARLES B. PYPER, author of the article on Neville Chamberlain on page two, is an editorial writer on the Toronto Telegram. He is of Irish birth, and before coming to Toronto spent several years in journalism in Winnipeg. He acted as war correspondent for the Telegram in Spain for several months at the beginning of the Spanish Civil War.

We shall publish next week the first of two articles by Captain H. C. Howard, R.S.I., now of Richelieu, Que., on "Canada's Mistakes in the Last War." Captain Howard makes out a strong case for permitting military men to have control of military affairs even when there is fighting going on.

Premier Angus L. Macdonald writes in reference to the article in our issue of August 20 by Rideau Banks, in which it was stated that three Nova Scotia fishermen after four months' work had a surplus of ten dollars to divide: "While I have not the earnings of every individual fisherman in the Province I believe this statement of earnings is inaccurate. Certainly it is not typical, and I should like to have the names of the fishermen whose earnings were as stated. The statement in the fourth paragraph as to the percentage of fish caught by trawlers is entirely inaccurate. The last year for which statistics are available is 1936, when the proportion of trawler-caught fish was between ten and eleven per cent. of the ground fish taken. If other varieties of fish are included the percentage of trawler fish would be even less.

In reference to the statement that no Nova Scotia Government attempts more than perfunctorily to develop tourist attraction, I deny the accuracy of this statement, and challenge the writer to name any part of Canada which having regard to its size and revenues has done more to develop tourist trade during the last five years than this Province. The people of Nova Scotia have always been hospitable, but they are growing weary of flying visits by journalists from other parts who think they can learn more about the Province in a few hours than its own people have found out in a lifetime."

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PHOTOGRAPH COMPETITION

COMPETITORS in the Summer Photograph Competition should not draw the conclusion from last week's awards that the judges are particularly partial to studies of small boys fishing. It was merely coincidence that the two best entries for the "Special" class judging on August 27 both depicted small boys fishing. Charles H. Blair, 56 Sparks St., Ottawa, won the first prize of Ten Dollars and Katherine S. Grove, 80 Keewatin Ave., Toronto, won the second prize of Three Dollars and a copy of "Camera Conversations" by "Jay."

Prizes will be awarded today (September 3) in the "General" class of the Competition and will be announced next week. First prize in this class is Five Dollars and second prize is a copy of "Camera Conversations." Entries for either the "Special" or the "General" class may be sent in at any time, the classes being judged in alternate weeks. Prints should be at least four inches in their major measurement, and should be accompanied by data concerning the camera, aperture, exposure, film, etc.



WHAT'S CZECHOSLOVAKIA TO ME, ANYWAY?

—History of Canada, August 22-29

THIS IS MILITARY WEEK

WHILE the world was putting in one of its most anxious weeks since 1914, Canada was considerably concerned with problems relating to war and defence. The contract let during the last session of Parliament for the manufacture of Bren machine guns in Canada was the subject of most discussion. Col. George A. Drew criticized it so severely that the Department of National Defence under the authority of Hon. Ian MacKenzie issued a statement in reply denying certain of Col. Drew's allegations. Col. Drew issued a statement in reply to the reply declaring that the statement under the authority of the Minister of National Defence was "inaccurate in every detail" and asking for the appointment of a judicial or other non-political committee "before which I may have the opportunity of substantiating everything I have said." The Canadian Army, 2,000 strong, began at Camp Borden "the greatest collective demonstration of military force in Canada since the Great War." The transfer of two squadrons of the Royal Canadian Air Force to Calgary and the establishment of that city as the sole prairie air base of the permanent force was announced. Secretary of State Fernand Rinfret sailed for Europe to meet the members of the Hungarian Government to advance settlement of claims arising out of confiscation by Canada and Hungary of alien property during the said Great War. Lord Stanley, Secretary of State for the Dominions in the Chamberlain Government, who is in Canada to open the Canadian National Exhibition, and Lord Gowrie, Governor-General of Australia, and Prime Minister Mackenzie King drew the bonds of Empire closer together at a state dinner at Ottawa. The British Air Mission in Canada, the Canadian Government, and the Canadian manufacturers of aircraft, it was reported, have agreed upon the setting up of an operating company with plants at Toronto and Montreal to assemble bombing planes for the British Government. The Minister of Pensions, Mr. Powers, announced that the annual cost of pensions arising out of the Great War is \$40,472,378. Hon. Ian MacKenzie, Minister of Defence, announced that twelve new Blackburn bombing planes will arrive in Canada from England in a few days to augment the number of planes at the Jericho station of the R.C.A.F. Hon. Ernest Lapointe sailed for the September meeting of the League of Nations.

DOMINION

Beaver: Hon. T. A. Crerar, Minister of Mines and Resources, announced details of the setting aside in operation with Quebec of 13,000 square miles in Northern Quebec as a beaver sanctuary with eventual exclusive trapping rights reserved for the benefit of Indians.

Commerce: J. E. Mackay, Kingston, Ont., was appointed editor of the Commercial Intelligence Journal issued by the Department of Trade and Commerce.

Penitentiaries: The warden of Stony Mountain Penitentiary in Manitoba reported to the Department of Justice that there has been no general unrest among prisoners in that institution since August 5; approximately 100 prisoners from Kingston were transferred to Stony Mountain

in July and temporary insubordination resulted.

Revenue: Bureau of Statistics reported that excise duties, etc., on liquor brought \$26,086,000 to the Dominion Treasury during 1937-38 fiscal year; the liquor profits of the Provinces during fiscal years ending in 1937 were \$26,325,000.

ALBERTA

Lieutenant-Governor: The services of a secretary, chauffeur and automobile at the expense of the Province have been restored to Lieutenant-Governor J. C. Bowen.

BRITISH COLUMBIA

Alaska Highway: Following conference with members of Alaska Highway Commission recently set up by the United States Government, Premier Pattullo announced that the British Columbia Government will recommend the appointment of a similar Commission by the Ottawa Government.

Marketing: Attorney-General Wismer announced that the provincial Government has formally recommended to the federal Government that it investigate the alleged combine in the British Columbia interior fruit industry.

Transients: Hon. G. S. Pearson, Minister of Labor, announced that the Government will insist on the immediate arrest of any men attempting to begin sit-down "strikes" such as occurred at the Vancouver Post Office and Art Gallery.

MANITOBA

Appointments: Hon. J. S. McDiarmid, Minister of Mines and Natural Resources, announced the appointment of Donald M. Stephens as acting deputy minister of his department. Chairman H. Carl Goldburg announced the appointment of Walter J. Macdonald as consulting accountant for the Goldenberg Royal Commission

NEW BRUNSWICK

Fisheries: Premier A. A. Dymally and Hon. J. E. Michaud, federal Minister of Fisheries, jointly presided at conference of fishermen, fisheries organizations and boards of trade in attempt to contribute to solution of problems of New Brunswick fishing industry.

NOVA SCOTIA

Mines: Hon. Michael Dwyer, Minister of Mines, confirmed report that the first Nova Scotia petroleum ever found has been struck in a coal mine under the sea two miles from the mainland at Inverness.

ONTARIO

Fish and Game: D. J. Taylor, Minister of Game and Fisheries, announced that owing to the expansion and success of the artificial propagation of speckled trout in provincial hatcheries the open season for this species will be extended to September 15.

Highways: A. H. Rowan, statistician of the Ontario Highways Department, reported that highway fatalities during the first seven months of 1938 showed a decrease of 42 per cent. The Highways Department announced that contracts have been let to seven firms for construction of the 45 miles of highway from Nipigon to Beard-

more.

Hydro: The Ontario Hydro-Electric Power Commission announced new policy of actively promoting increased knowledge of possibilities and uses of electric power for domestic and industrial purposes throughout Ontario, and created new sales promotion department headed by Morris J. McHenry to put policy into effect.

Marketing: Hon. P. M. Dewan, Minister of Agriculture, announced the appointment of George Wilson, Simcoe, Ont., as Director of the Markets and Co-operation Branch and Chairman of the Ontario Marketing Board.

QUEBEC

Finances: Provincial Treasurer Martin Fisher released balance sheet showing Quebec had surplus of \$3,008,287 of ordinary revenues over ordinary expenditures in fiscal year ended June 30; ordinary revenues of \$53,344,037 were highest in Province's history. Unemployment relief is listed as extraordinary expenditure and cost the Province \$16,156,096, thereby causing an excess of ordinary and extraordinary expenditure over ordinary revenue of \$13,147,809.

Frauds Prevention: Premier Duplessis announced the appointment of Adolphe Routhie, K.C., Quebec, as registrar under the Quebec Frauds Prevention Act.

Municipal Affairs: The provincial Government by Order-in-Council appointed George P. Laurin, former Conservative M.P., as mayor of Ville St. Laurent, and also appointed three aldermen for the town; the action followed resignations which made a council quorum impossible.

Wages: The Quebec Fair Wage Board issued an ordinance governing hours and wages of hospital employees.

OBITUARY

Barber, James Henry, Toronto, railroad construction engineer, former bridge engineer of C.P.R. (81). **Bayne, David C.,** Calgary, secretary-treasurer Calgary Public School Board (66). **Brill, Isaac,** Toronto, (105). **Barton, Dr. James H.,** Saint John, N.B., dentist, president Barton Electric Welding Co., Ltd. (65). **Casey, Michael Thomas,** Montreal, assistant secretary for Port of Montreal, poet, essayist, newspaperman (38). **Clogg, Howard Upham,** Montreal, president J. R. Clogg & Co., Ltd., past president Fruit and Vegetable Jobbers Assoc. (58). **Donaldson, James B.,** Ottawa, retired purchasing agent of National Defence Department. **Edmondson, Rev. William Francis,** Winnipeg, priest of St. Anthony's Roman Catholic parish, editor of Northwest Review (41). **Farncomb, Miss Dora,** Toronto, religious author and journalist. **Gardner, Hon. Lindsay Cann,** Yarmouth, N.S., Speaker of Nova Scotia Legislature, Liberal M.L.A. for Yarmouth county for past ten years, president Minards Liniment Co., Ltd., past president Nova Scotia Pharmaceutical Society (63). **Hardy, Samuel Henry,** Port Rowan, Ont., editor and publisher Port Rowan News (83). **Hebert, Marcel,** Montreal, pianist, winner of Prix d'Europe (23). **Henderson, Lawrence,** Cowansville, Que., former president and general manager Montreal Transportation Co., former president

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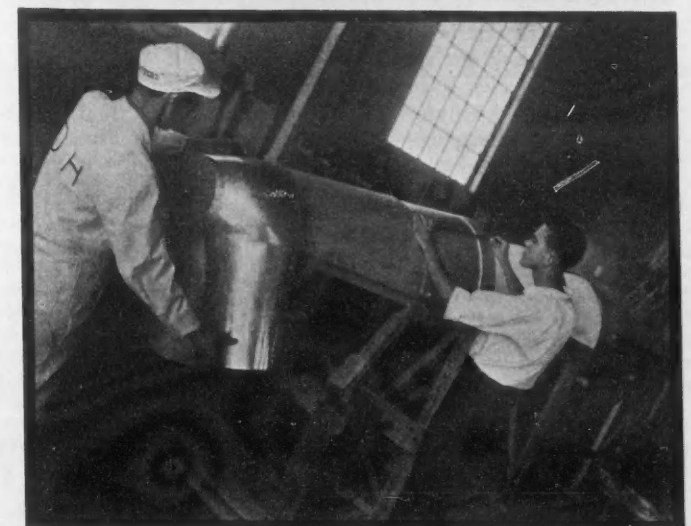
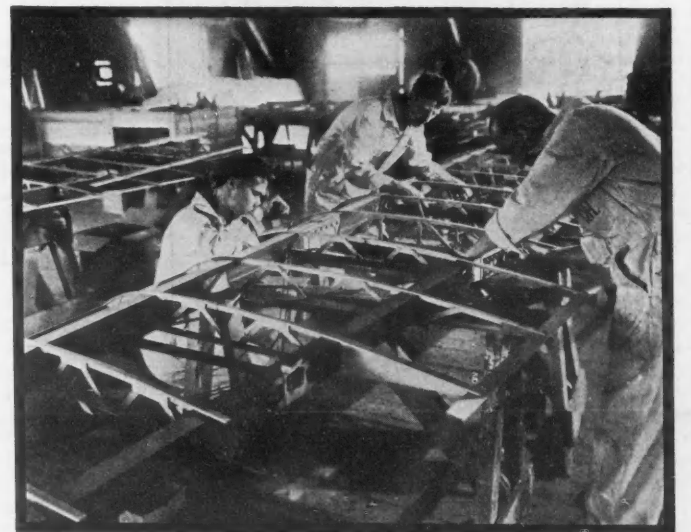
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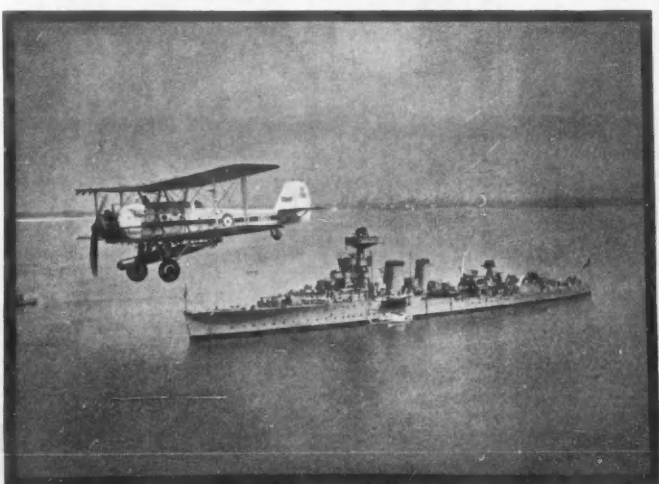
Montreal Canadian Club (71). **Leitch, Rev. H. D.,** Wetaskiwin, Alta., past president Alberta Conference of United Church of Canada (67). **Kerr, Dr. Forrest Alexander,** Toronto, geologist of Geological Survey of Canada, former geologist of Ventures Ltd. (40). **MacKenzie, Mrs. Margaret,** Westville, N.S., oldest resident of Nova Scotia (106). **McVeigh, Edward J.,** Ottawa, barrister, member of board of control and former alderman of Ottawa (42). **O'Brien, Stephen Edward,** Ottawa, former Assistant Deputy Minister of Public Works (73). **Overholt, Dr. A. M.,** Brantford, Ont., principal of Brantford Collegiate Institute for many years, member of Boards of Governors of McMaster University and of the University of Western Ontario. **Prenter, Samuel Law,** Vancouver, former Vancouver Harbor Commissioner, former secretary-treasurer Vancouver Breweries (73). **Richardson, John W.,** North Bay, Ont., merchant, former mayor of North Bay (74). **Robertson, William Robert,** Toronto, former general superintendent of electric railway department of Ontario Hydro-Electric Power Commission (63). **Rollins, William T.,** Ottawa, former controller of school lands in Department of Interior (63). **Rowe, Arthur C.,** Hamilton, Ont., retired manager of Hamilton Clearing House (82). **Ryan, John J.,** Toronto, Canadian and U.S. champion oarsman in 'nineties, retired Provincial Bailiff (75). **Sage, Archdeacon G. B.,** London, Ontario, rector of St. George's Anglican Church for fifty years, member of faculties of Huron

College and University of Western Ontario (82). **Trenouth, William J.,** Powassan, Ont., retired lumber operator, first mayor of Powassan (80). **Viau, Charles Theodore,** Montreal, retired president Viaw Biscuit Corp.,

Ltd. (69). **Viau, J. Dalbe,** Lachine, Que., architect, former mayor of Lachine (56). **Wotherspoon, Ivan Stuart,** Montreal, Quebec provincial civil servant, former real estate broker.



LEARNING A MODERN CRAFT. Whether or not aircraft companies in Canada receive orders from Great Britain for fighting aircraft, they are, nevertheless, carrying on in the training of personnel for increased production to meet the natural expansion requirements of commercial flying. Because of the amount of skilled labor now available because of small, young men from the technical schools are being taken on by the companies for training. **Upper.** Some of these boys working on the delicate wooden framework of a plane wing under the watchful eye of a competent instructor. **Lower.** Boys working on a shaper for the fuselage and engine cowling.



BRITAIN'S SEA DEFENCES GROW. A torpedo-bomber from the training school at Gosport flying over one of the latest type-cruisers, H.M.S. "Coventry", in the Solent.

AUTUMN

(The Vale of Ottawa)

NOW PAN upon the mountains is lulled in quiet sleep
And all the luring hills and vales their happy vigils keep.
The magic mantled maples in robes of scarlet flame
The beauty and the glory of the great god's dream proclaim.

I cannot tell the number of all the forms of joy,
Nor yet the wakened wonder of his dreaming mind's alloy,
But a godlike art's perfection seems reflected in my sight
When the hills and vales awaken to his dream's entrancing light.

Upon the blue-gowned mountains the elms and maples run
In lines of scarlet red and gold, through changing shade and sun,
The sombre pines stand sentinel, the birches dusk and shine,
While the ripened grape is breaking and the wind is making wine.

Yonder up the valley where the purpling cloud banks keep
The veils of laughing morning, and the river runs asleep,
Its voice will break in silver when the fingers of the sun
Trace the vast enfolding glory ere his dream of earth is done.

"O slumbering god awaken, and tell me how you dream
Such wonder wrought to music, and how on earth you seem
To hold within your hand and heart such magic art and power
When Autumn holds her festive reign in Earth's enchanted hour?"

The sleeping god lies quiet, mid the gold of wold and hill,
Like the mountains in the moonlight as immovable and still,
He will not make me answer, but my raptured vision saw
The soul's allure of Heaven in the Vale of Ottawa.

Ottawa.

—JAMES H. STITT.

WORLD OF ART

BY H. G. KETTLE

THERE is as usual in the galleries devoted to art at the C.N.E. a great variety of media, of periods, schools and -isms. An exhibition of this kind intended for a wide public very properly attempts to cater to all tastes, which means that there will be widely different opinions as to what constitute the highlights and what are the lowlights. There is little doubt though that the room devoted solely to paintings and objects known as "Surrealist" is likely to attract most attention and evoke most comment. Art never appears to have news value unless someone's sensibilities are outraged, witness the now almost forgotten abuse of the Group of Seven and more recently the indignant repudiation of the Centre Island nudes. However this is for most of us in Canada our first opportunity to see the work of reputable Surrealists, and it is therefore perhaps worth while devoting this article to this latest of the -isms.

Perhaps I might first state my own attitude. I fancy it is not uncommon. It is based on the International Surrealist Exhibition in London in 1935 and on the present exhibition. There are occasional Surrealist works that give me a great deal of pleasure, satisfaction, call it what you will; it is at any rate an experience similar to that derived from accepted works of art. Others leave me curious but interested, and a large number irritate. As a movement I think it will be comparatively short-lived in its present form; by this I mean that while movements like Impressionism and Post-Impressionism travel along roads that have been fairly straight and long, Surrealism is likely to make some sharp bends quite soon and may even, like Stravinsky in music, retrace its steps. On the other hand, the Surrealist bases his work on a theoretical argument that is reasonable enough; more than that it seems a logical development. I fancy that many of us find the Surrealist convincing enough in theory but baffling often in practice.

WHY should this be so? In the first place the gap between Surrealism and movements preceding it, Post-Impressionism, Cubism and even Abstraction, is so large. Most of the things we have been making in the last decade or so, paintings, buildings, furniture and industrial art in general, have been placing an increasing emphasis on architectural structure, on form and shape, and on pattern. Now when we are beginning to feel more or less at home and comfortable about them, the Surrealist seems to remove these friends, whose qualities we have often with some difficulty only just come to realize and value. He has left us isolated in a strange world, and as gregarious animals we dislike him for doing so. This new strange world is often devilishly fantastic, ingenious, sometimes finely colored, but it feels hostile.

The Surrealist then is talking in a completely strange language. (Some no doubt will think of the Tower of Babel.) Language consists of an established combination of sounds for conveying certain ideas which give rise to feelings. The language of art though not so apparently constant nevertheless has similarly consisted of established combinations of symbols (lines, shapes and colors) for conveying feelings which may give rise to ideas. The Surrealist uses symbols that are not generally established. Further this language attempts to reveal an unfamiliar world, the conflict between the conscious and sub-conscious.

IN THESE circumstances there is plenty of scope for the joker and the knave, and they have between them produced a good deal of rubbish. But what of the aces? Picasso and Paul Nash both had international



MEMBERS of the National Fraternal Congress of America, who were in session last week in Toronto, to the number of some three hundred and fifty, were visitors at the beautiful home maintained for orphan children by The Independent Order of Foresters at Oakville, Ontario. In the group in front of the doorway are C. L. Biggs of Detroit, Michigan, who was elected President of the Congress, and Mrs. Biggs; Mrs. Dora Alexander Talley of Omaha, Nebraska, Immediate Past President; Mrs. Frank E. Hand and Frank E. Hand, Supreme Chief Ranger of the Independent Order of Foresters.

reputations built up before they turned to Surrealism. They obviously cannot be called charlatans or sensationalists seeking a quick profit on a fad. (Who is paying the piper anyway?) That is true of many imitators and opportunists, but not of serious artists, and of what lies below the movement.

Suppose we say, "It is just so much Greek to me." It all depends whether it is possible to learn this Greek, and worth the trouble; whether when learned it makes sense, or at least has the value of stimulating non-sense, or is just gibberish. The Surrealist considers it sense, or at least sensible, since for him it is a reality or super-reality if you like, which deals with the totality of human life, conscious and sub-conscious. To him it is greater sense than any version for instance which neglects the implications of our dreams. This seems reasonable enough.

The language presents the biggest obstacle, the symbols being mostly variables and as yet insufficiently established. In the past symbolism in art has generally been encouraged and established through folk-lore or religions, and in answer to a widely felt need. Today psychology is developing the new symbolism. But, unfortunately for the Surrealists, although most of us freely use the word psychology it is often rather as a convenient way of describing some elementary reactions which were not unrecognized by our grandmothers. Freud and Jung we have only vague ideas about, and there is nothing urgently compelling us as yet to alter this state of affairs. In fact our Christian upbringing leads us to believe perhaps that it is best we should remain rather vague, since some of the aspects of our sub-conscious appear to be rather ugly. All important art movements of course have been ahead of their generation, but the Surrealists are for most people too many jumps ahead.

SURREALISM may become generally recognized as a legitimate purpose of art in the distant future, but the soil, i.e. the layman, is not yet suitable for such a plant. Post-Impressionism, Cubism and Abstract painting were assisted greatly in becoming generally accepted through reproduction processes and the im-

portant fact that people at least found them to be extremely good decorations in modern homes. Surrealist works as a rule are not good decorations and reproduction will assist them little.

Surrealism has frequently been claimed by its exponents to be a pictorial expression of the communist spirit, but communists on the whole have been rather half-hearted in welcoming such an ally and suspect some trickery. It is interesting to note that in Russia the officially recognized "Soviet-realism" tends more often than not towards honest-to-goodness representation, smacking of the soil, romantically expressing the ideas of newly won freedom and potential strength. Nazi German and Fascist Italian official art has followed similar paths.

SOME of the paintings in the C.N.E., Surrealist Room will be labelled as inartistic, grotesque and horrible, possibly rightly so. But such words only add to the confusion by implying that the absence of beauty in an object precludes it from being a work of art, which is not true. A work of art may be beautiful but is not necessarily so, unless one is prepared to take an extremely limited view. Such a view would exclude a large amount of work reproduced and labelled as "art" in such lay periodicals as *The Illustrated London News*. Is El Greco's "Agony in the Garden" a beautiful painting? Is it a work of art? George Moore's gem of objective realism, "Esther Waters," could hardly be described as a beautiful book. There is a good deal of generally accepted music which we never think of as beautiful. Nor for that matter is beer a beautiful drink, though it frequently tastes like a work of art. However, all this is beside the point except in so far as it remarks that it is useless to look at Surrealist work if we hold art and beauty to be identical.

AS FOR the work itself, the two Paul Nashes can readily be appreciated. Nash, unlike most of the Surrealists, retains a more normal sense of form and uses fine color. Somehow or other he still retains the feeling and atmosphere of the traditional English landscape; it is almost historical atmosphere. Constructions in wood and cork by Paalen make good decoration looked at anyway up. As it is hung you see a rather sinister head among a few rolling shapes, turned clockwise it makes quite a good squatting oriental work, clockwise again you have an interesting mountainous landscape, and finally there is a gracefully poised Japanese lady! The Dali has some fine painting, the Tanguys are exciting, and so are the two Trevellys. I would rather take home the latter's "Underground" than anything in the English section.

COMING EVENTS

MORIZ ROSENTHAL, the renowned Polish pianist, is to be heard as guest soloist at next Thursday's Promenade Symphony Concert directed by Reginald Stewart in the University of Toronto Arena. Recognized as one of the greatest figures on the concert stage today, Rosenthal is this year celebrating the fiftieth anniversary of his American debut, and has been heard on the concert stages of Europe and America for the past sixty years. His talents were noted at an early age by such masters as Franz Liszt, Brahms, and Johann Strauss, Jr. He is one of the few remaining of Liszt's pupils.

Mr. Rosenthal will be heard with the orchestra in Liszt's Hungarian Fantasy, and later in the program will return for a group of solos, among them works by Strauss and Chopin.

The orchestral part of the concert will consist of Haydn's "Clock Symphony" in D Minor and the Largo from Healey Willan's Symphony No. 1, which was heard for the first time anywhere at one of the Promenade Concerts two years ago. Enesco's Roumanian Rhapsody will conclude the concert.

THE Hart House String Quartet (James Levey, First Violin; Adolphe Koldofsky, Second Violin; Milton Blackstone, Viola; Boris Ham-

bourg, Violoncello), Canada's indefatigable ambassadors of good-will in the musical world, will be leaving our shores again this winter for another extensive European tour. They were booked to appear in Norway, Sweden, Denmark, France, Belgium, Finland and Great Britain, with two recitals in London, but have just recently received a flattering offer to include Poland in this wide-reaching itinerary. They will sail early in January, but in the meantime will be making many appearances in the United States and Canada. They have also announced their first series of Toronto concerts since 1936, which will be three in number and be given in Hart House, with programs of exceptional interest. This announcement is already meeting with quick and warm response from subscribers, amongst whom may be counted many who are being enrolled for the first time, signally demonstrating the ever-spreading popularity of this one of Canada's foremost musical institutions.

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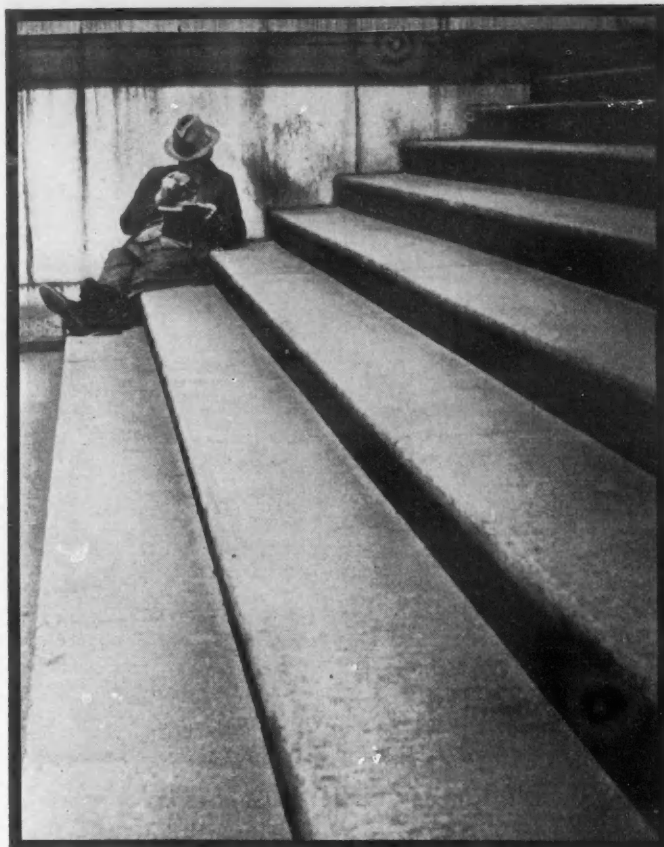
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THE FILM PARADE

BY MARY LOWREY ROSS

HOLLYWOOD has a most irrational habit of stealing its own pictures. It will buy up a popular novel or play at a terrific figure, then, losing courage, sit down to a lot of unhappy executive wrangling over casting and censorship while public interest quietly and inevitably declines. It will then send out a number of feelers, in the form of Grade B pictures, apparently just to see how the audiences are likely to take it. If audiences respond satisfactorily, the boys finally release the original itself and set it before the public with happy whoops of publicity. And the public, its appetite quite dulled by its round of sampling, shakes its head, indicating politely that it just can't touch another thing, it's filled right up to here.

This at any rate seems to be the history of "Boy Meets Girl." A season or two ago "Boy Meets Girl" with its loud cheerful cracks at the movie industry looked like wonderful screen material. For Hollywood at that time was still something of a mystery and everybody was curious to get a good close look at the demented process by which pictures were turned out. But the producers hung back, frightened off possibly by the obnoxious premises of the plot. Stage audiences responded with glee to the heroine's constant lament about her "condition" but movie audiences might still prefer to believe that babies, even Hollywood babies, came in the doctor's little black bag. In any case "Boy Meets Girl" didn't get produced for many months. It hung around the studio eating its head off, and in the meantime the public was thoroughly treated to Hollywood exposures of various sorts. For two seasons now we have been watching the industry piously wash its dirty linen in public and hang its crazy-quilt emotions on the line. We know, or think we know, all about its frenetic executives, its crazed scriptwriters, its broken hearts, the Ritz Brothers dementia that pervades the studios. By this time we can believe anything about the industry, and the more crazily Hollywood is revealed the more complacently we accept the revelation.

With the exception of "Once in a Life-time," "Boy Meets Girl" is probably the wildest and funniest

story about Hollywood ever written. It's still funny enough to make you wish you could have seen it before publicity and advance-imitation had nibbled away its edge. James Cagney, whirling through the part of the outrageous screen-writer Mr. Law, supplies some of the energy and rowdiness that have lapsed out of the original material. But Pat O'Brien seemed to be going through his role with a resentment that approached malingering. And Ralph Bellamy as the earnest executive with a taste for glutin bread, certified milk and the works of Marcel Proust only succeeded in filling the audience with a sort of sad perplexity.

Altogether there is a curious parallel between the screen "Boy Meets Girl" and the career of "Happy," the baby star of the piece who was a terrific success before he was even born and a wash-out before he could talk.

"The strong must help the weak" as the clergyman said when he added the butter to his coffee. So "Sinners in Paradise," a weak little morality about a group of anti-socials wrecked on a tropical island, is buttressed this week by the tough antics of the Dead End boys in the latest of the series "How Killers Are Made."

The Dead End boys have now been run twice through the juvenile courts and the Boys' Reformatory, and it begins to look as though the producers, unless they can find fresh fields of crime for the lads, will have to break the gang up altogether. "Little Tough Guy," their latest film, is a routine re-working of their two previous pictures, "Dead End" and "Crime School" with added bits from "The Devil is a Sissy." There is a slight innovation in the person of Jackie Searle as a rich lad who joins the gang and elects himself the brains of the group. Jackie Searle, it may be remembered, was the child-villain of a number of juvenile sketches some years back. He's quite grown up now, with long trousers and a hat with a snap-brim. But he has the same cold sneer that he probably wore on his baby face when he went the rounds of the casting-studios in infancy. Master Searle performs with the greatest of ease but all he adds to "Little Tough Guy" is a touch of unpleasantness.



"GRANDEE DAHLIA." Honorable Mention Photograph by C. E. de M. Taschereau, The Ottawa Journal, Ottawa. Zeiss Super Ikonta camera, Zeiss Tessar with supplementary lens, Eastman S.S. Pan film, 1/25 sec. at F4.5 at 6 p.m. in July.

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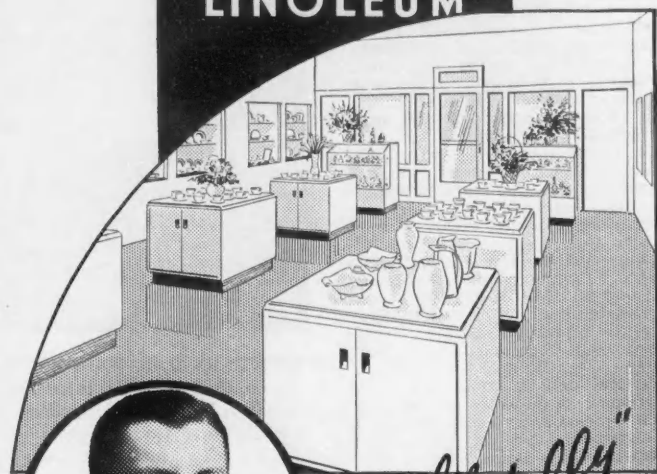
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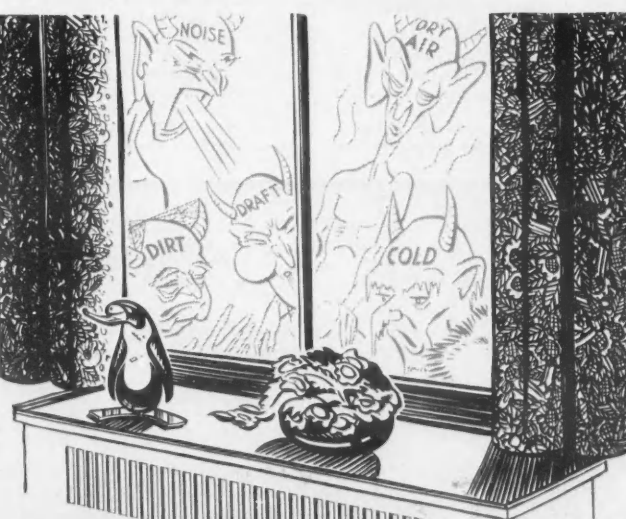
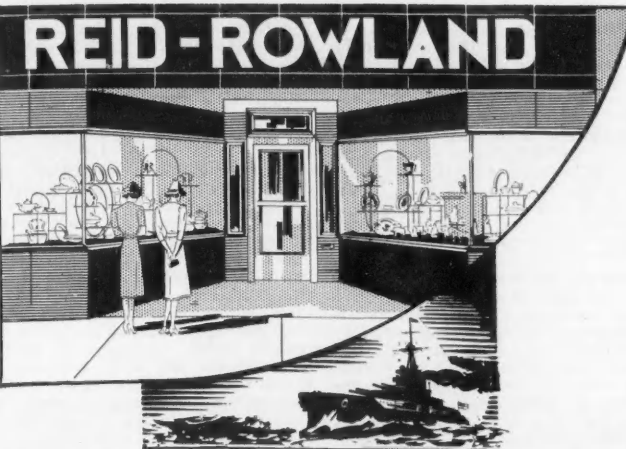
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MUSICAL EVENTS

BY HECTOR CHARLESWORTH

THE program provided last week at Varsity Arena by Reginald Stewart and the Promenade Symphony Orchestra was more extensive and colorful than in recent weeks. No less than seven works were given, the most important of which was the First Symphony of Beethoven. It was a happy thought on the part of the conductor to revive this work, composed in 1800 at a time when Beethoven was almost exclusively known as a virtuosic pianist and pianoforte composer. At that time a dozen or more of his many Sonatas had already been composed, and he was recognized as the first man to develop the full resources of the comparatively recent instrument, the pianoforte, just as he was destined to develop unsuspected possibilities in orchestral expression.

Quite recently there has been a widespread revival of interest among conductors in the first two symphonies, long neglected. While the First, heard the other night, does not reveal the emotional depth of the Second, composed two years later, it is full of buoyant melodic inspiration, with a beautifully balanced structure. It is a commonplace of criticism to say that it reveals the influence of Haydn, credited with having taught Beethoven structural logic, but it has an individuality all its own. It has also been pointed out in the past that

grim and haunting legend "Swan of Tuonela" in which the long passages for cor anglais, on which the interest of the work depends, were ably played.

A charming novelty of historic interest was the "Mota Perpetua" of Ferdinand Ries (1784-1838) life-long friend of Beethoven, whose biographical notes on that composer, written shortly before his death, are an authoritative source of information. Ries was the second link in four generations of composers in the direct line; and wrote many forgotten works popular in their day. The "Mota Perpetua" is old-fashioned, but a neat and resourceful morceau.

Other episodes included a very smooth rendering of Schubert's "Rosamunde" overture, a glowing performance of a de Falla Spanish Dance, and an infectious presentation of a waltz by Franz Lehar.

THE guest artist was an attractive, young, and very blonde contralto, Anna Kaskas, one of the promising juniors of the Metropolitan Opera, where she won attention in the title role of Gluck's "Orpheus" during the spring season of 1937. She is a Connecticut girl of purely Lithuanian descent, and it illustrates the artistic aspiration of that little state that it paid for her education at Milan. She is beautifully trained. Her voice is smooth and noble, her intonation

appealing ensemble. One of their notable performances is Beethoven's Trio in B flat, notable for its beautiful balance of interest between all three parts, and fresh appealing melodies. They have revealed equal grace of expression in movements from the chamber works of Mozart, Haydn and Mendelssohn. In modern works like Daguin's "Cuckoo" and Debussy's "Romance" they are also sparkling and colorful. The experiment of presenting chamber music of high order as hotel diversion was something of a novelty, but public appreciation has been unexpectedly warm.

NOT for many years has Great Britain sent across the Atlantic a military band so fine in quality and expression as the Royal Artillery Band, which is appearing at the Canadian National Exhibition. In former years the various Guards Bands of the Household Brigade were annually heard here, but owing to military exigencies the practice ceased. Even under famous conductors like Major Mackenzie Rogan, however, they were usually reduced to about forty pieces. The R. A. Band comes to us, not perhaps in its full strength, but with an ample force of sixty pieces,—whose quality, both in respect of instruments and musicianship, is superb. Historically the organization is said to be the oldest of British military bands, though the records show that the first completely organized band in the modern sense was that of the Coldstream Guards, formed at the instance of H.R.H. the Duke of York, uncle of Queen Victoria, and a very able soldier. All the historic British bands had their genesis in the late eighteenth century. The idea originated with Frederick the Great of



MICHAEL DOYLE, the well-known baritone who sings with Luigi Romanelli's Orchestra at the King Edward Hotel.

Prussia, who about 1763 conceived that bands of quality would stimulate interest in military service. The idea was speedily copied by the other great European powers, Austria, France and Britain.

The present conductor of the R. A. band is Lieut. O. W. Geary, the youngest of the eminent conductors of the British Army, and a Doctor of Music. Its performances are worthy of its great traditions. Every choir, brass or woodwind, is of exquisitely mellow tone, and its soloists are virtuosos on their particular instruments. In expression its renderings are flawless. Lieut. Geary's programs have for the most part been of a light and popular character, but to hear the noble volume of tone they bring forth in such a familiar number as Handel's "Largo," and the spirit and fire with which they render military pieces is an inspiration.



CANADIAN ACTRESS IN HOLLYWOOD. Catherine Proctor, the distinguished Canadian actress, was only in Hollywood a few weeks when she obtained an important role in "Youth Takes a Fling". With her in this scene from the film are Isabel Jeans, Andrea Leeds, Roger Davis, Henry Mollison and next to Miss Proctor, at extreme right, Grant Mitchell.

in his earlier orchestral works, Beethoven thought, as it were, through the medium of the pianoforte, and this symphony bears out that suggestion. In its tasteful ornamental developments it does suggest a pianoforte Sonata transferred to the orchestral medium. It is full of delightful figures and has manifold graces, especially in the Minuet, the traditional form for a third movement, which Beethoven later abandoned for the Scherzo. The rendering was admirable in all respects. Mr. Stewart was at his very best, the orchestra in all sections responded enthusiastically to his inspiring beat, and it was a clean-cut captivating performance.

ONE would like to be able to say as much for the rendering of the richer, more pictorial and more difficult "Scheherazade" music of Rimsky-Korsakoff, two episodes from which were given. The first, "The Young Prince and the Young Princess" went comparatively well, but in the gorgeously scored "Feast of Bagdad," the drums were off the beat, and matters generally were rather messy over in that section of the orchestra, colloquially known as "The Kitchen," on which the composer made many demands. The orchestra recovered itself later with an excellent rendering of Sibelius'

pure, and her diction and enunciation perfect. She sang with orchestra the familiar aria "O Don Estade" from Verdi's "Don Carlos" without much abandon but in good academic style. She was more attractive in lyrics with the delightful accompanist, Gwendolyn Williams, at the pianoforte. Though of varying national origins all these numbers were sung in tasteful English. Her technical brilliance was especially apparent in an unfamiliar lyric by Glinka, known as "The Journey." With its speedy patter it recalls the Lord Chancellor's song in Sullivan's "Iolanthe," and was capably done. Another work in which her humor and finesse in expression were manifest was also a novelty, "Little China Figure" by Leoncavallo, very quaint and original.

THIS summer the Joyce Trio has been giving daily musicales at the Royal York Hotel of which a particular distinction has been an infiltration of classical chamber music with numbers of a more popular type. The Trio consists of the gifted pianist, Simeon Joyce, and two brilliant string performers, Maurice Solway, violinist, and Charles Mathe, cellist. All are admirable in tone and technical equipment and, having worked together for a considerable period, they have achieved an intimate and



MORIZ ROSENTHAL, "master of the keyboard", guest artist at the Promenade Symphony concert in Varsity Arena, Thursday, September 8th.



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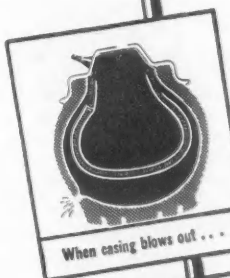
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"A Day of Battle," by Vincent Sleen (Doubleday, Doran, \$2.75). The dramatic story of the battle of Fontenoy, fought between the French and the English by the village in Flanders on May 11th, 1745. The French won,—their greatest military victory in 400 years, but which could not stem the tide of dissolution that was sweeping over the Empire.

"Saints in Summertime," by Brickerhoff Jackson (McLeod, \$2.50). A European of position and family intriques in a contemporary Central European village, written with Gallic urbanity.

"Old Motley," by Audrey Lucas (Collins, \$2.50). A pedestrian but picturesque family novel of Quakers and actors in the England of 1830-40. The author is the daughter of the late E. V. Lucas, the essayist.

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TORONTO, CANADA, SEPTEMBER 3, 1938

P. M. Richards,
Financial Editor

SOCIAL SECURITY, OR SOMETHING FOR NOTHING?

American People Want Security But Are Confused as to How It Is to be Achieved—
Little Good in a System Which Takes From the Provident to Give to the Shiftless

BY J. H. SIMPSON

ON THE fifteenth of August two speeches were heard in the United States on the subject of the Social Security Act of that country. One of the speeches was delivered by Mr. Franklin D. Roosevelt, before America's radio audience of thirty or forty million people. The other was delivered by Mr. E. D. Colvin, Republican candidate for the Senate, before an audience of about a hundred women members of the King County Republican Club, assembled at the Pine Tree Tea Room in the city of Seattle.

The inference, that the two speeches are comparable in any way, is made because they are comparable in that the big speech voiced the Democratic Party's defence of one of its pet measures while the little one contained the arguments which the Republican Party will doubtless use, this year and in 1940, in attacking that measure.

Mr. Roosevelt could find nothing but good in the Social Security Act, and he congratulated everybody—in particular Secretary of Labor Frances Perkins, Senators Wagner and Harrison and Congressmen Lewis and Daughton—who had anything to do with the framing of the bill or its maneuvering through the Congress. "They deserve, and have, the gratitude of all of us for this service to mankind!"

MR. COLVIN could not see the forest of the benefits for the trees of the taxes. Furthermore, he could not "sanction collecting an income tax in the guise of old-age insurance and then using the money to buy votes to keep the administration in power. If an insurance company did that, the president and board of directors would be sent to the penitentiary."

Thus you see the spectacle of a democracy with an election in the offing. No intelligent discussion of a program—merely blind praise by the protagonists and blinder abuse by the antagonists. And with this social security thing ammunition for both pros and antis is lying all over the place. The Democratic protagonists point largely to the beautiful theory of the thing, and nobody can point as largely as can the President. And so his references to "needy men, women and children receiving attention," to the millions of today who "want, and have a right to, the same security their forefathers sought," and to the new frontier of America, "the

frontier of insecurity" which remains to be conquered. . . all these references are good campaign material for the Democratic Party. For American citizens, today, are more exercised over their personal futures than they have ever been in the past.

For this reason the Republican attack on the Act promises to be as abortive as it was in 1932, when the famous pay-envelope inserts, stressing the taxes to be paid, were distributed in numerous factories just before the elections. It cannot be too strongly pointed out that the people want social security.

And neither party has the courage to come out and tell the people that in this world there can be no such thing. No such thing, at least, as security for the individual by the payment of three or four dollars a month.

THE truth is that the security of the individual rests on the security of the state and on the continuance of what is still sometimes called the capitalistic system. That American of large thoughts rather than large gestures, Mr. Cordell Hull, in a speech which followed the President's by a mere twenty-four hours, went further and in-

(Continued on Page 24)



HE'S OVER-LOADED ALREADY.

DISPOSING OF CLAIMS OF PREFERRED HOLDERS

Priorities and Even Par Values Often Cut Down in Attempts to Preserve or Enhance
Position of Common Stock Holders—United Fuel Proposal a Fresh Illustration

BY W. A. MCKAGUE

PREFERRED or preference stock is "stock that is preferred over other classes as to dividends and assets." To be more explicit, "it must receive a dividend before a dividend can be paid on the common stock, and in a distribution of assets it participates ahead of the common stock." These definitions are in Smith's financial dictionary and they are in accord with the terms on which most preferred stocks are issued, but it is hard to recognize them in the treatment accorded to preferred stocks on capital reorganizations. Distribution of assets by liquidation is hardly worth discussing because so few preferred issues reach that stage without first being deprived, in a process of reorganization, of the preferential rights originally accorded to them.

There was a time when mortgage claims could be disposed of under sufficient pressure, and some common stocks of today are the descendants, though obviously not the heirs, of earlier mortgage bonds. American railroads became notorious reorganizers, and the wringing out process threatens them once again. Two or three capital adjustments in recent years in Canada have given little weight to bond claims. But on the whole there has been a strengthening in the attitude of bondholders, demanding the retention of the priority and security in whole or in part or, as an alternative, exchange for a very large proportion of the new securities.

For instance, when Maple Leaf Milling Company was reorganized in 1934, the bond security was not affected, though payment of part interest in stock instead of in cash for some years was authorized. In the Burns & Co. reorganization the face value of bonds was also retained, and some stock was issued to bondholders, while stock capitalization was greatly reduced.

The investment institutions which hold large blocks of bonds for their policyholders and other creditors and shareholders have become an important factor in capital reorganizations affecting bonds, providing leadership, and often a "united front," for the individual holders, who otherwise might be handicapped in trying to cope with an aggressive equity group. The investment institutions have dominated many recent reorganizations with the effect of preserving to the senior securities, in which they are mainly interested, those priorities or privileges to which they were entitled.

ONE finds this attention singularly lacking in respect to preferred stocks. Perhaps the insistence of bondholders on a very large slice of the new securities has made the common stockholders all the more keen to recoup their losses at the expense of the poorly organized preferred holders. There

has been a tendency to admit that the bondholders have got something in the way of a mortgage or at least a debt, but a stock, whatever its category, is after all only a stock. That is not in accord with the definition which, if it means anything at all, permits one class of stock to absorb all of earnings or of assets while the other class gets nothing. Nor is it in accord with the original financing of many concerns, through which preferred stocks are issued for cash but common stocks are issued for assets which are highly diluted. An appraiser who was close to the financing of many concerns in the 1927-29 period pointed significantly to the lowering of the water level of the Great Lakes about that time. The depression put a lot of the water back again, but unfortunately a lot of the money of preferred shareholders has been washed out with it.

A short list of quotations will indicate, perhaps better than anything else, how lightly accumulated claims of preferred stocks are valued in relation to the purely speculative values of the common stocks. These market prices, influenced by what is considered as likely to happen in the way of settlement of dividend arrears, nearly all take a pessimistic view of how the preferred holders will make out; otherwise, the common stocks could not be valued so highly. The preferred stocks below all have dividend

arrears. The list shows the total preferred claim made up of par value plus arrears, and the current market prices of the preferred and common stocks respectively.

Company	Preferred Claim \$	Market Pfd. \$	Price Com. \$
Alta. Pac. Grain . . .	156.00	29	4
Amal. Elec. (\$50 par) . .	72.50	25	3
B.C. Pulp & Paper . . .	149.00	54	16
Can. Vickers	161.25	42	9
De Havilland	157.75	70	10
Eastern Dairies	140.25	6	1
Federal Grain	153.62	32	2 1/2
Hamilton Bridge	139.00	42	7 1/2
Hamilton United	116.50	55	1
Hillcrest Collieries . . .	156.00	25	2
Honey Dew (no par) . . .	147.25	10	1 1/2
Massey Harris	138.75	56	8
Monarch Knitting	154.81	36	3
Standard Paving	141.75	24	3
Western Can. Flour . . .	130.00	35	5

It is well known that a certain type of speculation will attach a nominal value to almost any stock no matter how big are the claims which rank ahead of it. This is the long shot gamble on some unexpectedly favorable development, which is attractive so

(Continued on Page 24)

BUSINESS AND MARKET FORECAST

BY HARUSPEX

THE INTERMEDIATE OR SHORT TERM TREND of stock prices has been upward since March 31, 1938.

THE PRIMARY OR LONG TERM TREND of stock prices and business is also upward.

THE PRICE MOVEMENT. Over the past five weeks, or since July 25, the market has moved in a sideways, or line, formation. In early August an attempt was made to move out of this line on the upside. On this push the Dow-Jones industrial average carried to 145.67, or fractionally, and hence inconclusively, beyond its July 25 peak. The rail average, at 29.80, fell short of its July 23 peak. The market then dove at the lower limits of the line, which limits had been previously established at 140.24 on the industrial average on July 27, at 28.05 on the rail average on August 3. On this decline the industrial average, on August 13, carried to 136.21, or decisively through its July 27 support point of 140.24. The rail average, however, at 27.57, registered only a fractional, or less than 1.01 points, penetration of its August 3 support point of 28.05, and thus refused to confirm the weakness of the industrial average. From August 13 the averages rallied to Thursday of last week, since which time weakness has again developed.

Market advances are corrected by setbacks cancelling from 3/4 to 5/8 of the ground gained on such advance. The 22-point advance in the Dow-Jones industrial average from March 31 to April 16, for illustration, was corrected by the 5/8 cancellation to (Continued on Page 22)



BUSINESS and the stock market are still marking time pending a clarification of the outlook, which latter shows no sign of developing. What seems to be becoming more evident daily is that it is useless to hope for a vigorous, sustained upmove as long as Europe continues its sword-rattling, the European economy continues to deteriorate and Roosevelt's campaign of reform continues to threaten the future of American business. We can have some business improvement and a moderate rise in the market, based on an increased demand for goods by consumers such as will result from this year's good crops, but we can't and won't have more than that until the broader and bigger issues are disposed of. That is, unless the inflation menace develops in a big way and causes a lot of common-stock buying for hedging and the increasing of industrial inventories in anticipation of higher prices and costs. And that doesn't seem to be on the cards at present. Inflation, this column believes, is a real consideration for long-term investors but also is quite unlikely to be an important factor in a near-term market or business advance.

THE most striking fact in the present mess is the confusion of mind that exists everywhere. No one—not even Hitler, certainly not Chamberlain or Roosevelt and perhaps least of all Mackenzie King—seems to know what he is working towards. Everyone is just feeling his way. Fear and hesitancy are everywhere. And that's a poor situation for a world that wants to go places. The peoples of the world don't want war, they want—they are demanding—more of the good things of life, which they feel the advances of science entitle them to enjoy. If they don't get them, they'll make trouble, more than they've made yet, if they are not diverted from their aim by war. The leaders of the democratic nations know all this, but are confused by the truculence of the fascist states and by the complexity of the economic issues involved, domestic and external. The result is that no one gets anywhere.

YET there is enormous scope for progress, if the world would only settle down to constructive work. Doleful writers have lately been putting forth the idea that the world, or at least the civilized portion of it, cannot reasonably hope to see the great growth of the nineteenth century continued through the twentieth, on the ground that the empty spaces of the world are now filled, the biggest steps in industrialization have been taken, and populations will soon cease growing and even decline. A more cheerful outlook is presented by our old friend Sir George Paish, writing in the London Statist. He points out that the remarkable progress of the past two centuries and more particularly of the last century originated with the desire of the European nations, especially Britain, for higher standards of living, whereas today the peoples of every nation, including the densely populated areas of Asia, similarly want higher standards and are anxious to do what lies in their power to obtain them. If, he says, the world's income increased five-fold in a single century as a result of the desire for higher standards of a relatively small proportion of the world's population, how great will be the expansion now that the world's entire population of two thousand millions of people is anxious for higher standards?

IT SEEMS to this column that there is much more sense in that idea than in the suggestion that we have already reached the limit of progress. Actually there is an enormous amount waiting to be done.

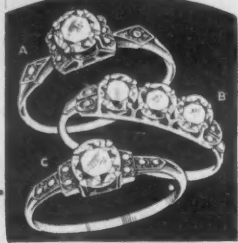
Science has made great advances in the last ten years, but we have made little use of them industrially, because of our depression complex. Industry has new materials, new processes, plans for new goods waiting to be developed, but it is afraid or unable to lay out the necessary capital, because of the uncertain general outlook. This holds up everything. Perhaps society's greatest need is recovery of confidence by the owners of capital. Somehow you and I and the other fellow, all who have any savings, have got to regain belief in the soundness of capitalistic enterprise and in the ability of our dollars to earn a fair return if put to productive work.

BEFORE that can take place, leaders like Mr. Roosevelt must understand and believe that economic salvation is not to be found in a redistribution of wealth but only in the creation of more wealth, so much more that there will be enough for all. Sir George Paish says he is convinced that with the right psychology and measures it would be possible to resume the great and unprecedented progress the nations made until the war and again to double the world's income in every generation throughout the present century. At present, of course, we have no such aim at all. We are supporting many would-be-producers in idleness, we are expending our wealth on armaments and other non-productive things, and we are driving much-needed capital into hiding by our socialistic legislation. We are doing everything but strive to increase our production and wealth.

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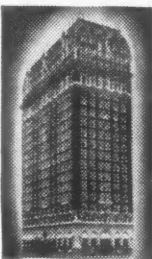


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CANADA'S FOREIGN TRADE

CANADA'S total foreign trade showed a gain of approximately eight per cent. in the last fiscal year. Both imports and domestic exports recorded gains. The increase in domestic exports was small but that in imports was nearly nineteen per cent. There was a small advance in the re-export of foreign merchandise. The total external trade was the highest since the fiscal year 1929-30. Domestic exports likewise reached the highest value since that year, while imports were the highest since 1930-31.

The total value of Canada's foreign trade in the last fiscal year, which ended with March, was \$1,904,000,000. This compared with \$1,746,103,000 in the previous fiscal year and with \$2,393,211,000 in the year ended March, 1930. The peak year of the foreign trade of the Dominion was 1928-29 when it reached \$2,659,124,000. Total domestic exports last year were valued at \$1,070,228,000 as compared with \$1,061,181,000 in the previous fiscal year and with \$1,120,258,000 in 1929-30. Total imports last year were \$799,049,000 as against \$671,859,000 in the fiscal year previous and with \$906,612,000 in 1930-31. Re-exports of foreign merchandise last year were valued at \$14,592,000 as compared with \$13,062,000 in the fiscal year previous. In 1928-29 domestic exports from Canada totalled \$1,368,259,000, when imports totalled \$1,265,679,000, both figures being peaks in Canadian post-war trade records.

GOLD & DROSS

It is recommended that answers to inquiries in this department be read in conjunction with the Business and Market Forecast appearing on the first page of this section.

NATIONAL STEEL CAR

Editor, Gold & Dross:

Some time ago I read an item in your paper on National Steel Car. At that time you said you regarded the common as an attractive buy for appreciation. Since then the stock has risen 10 points—from 57 to 67—and is now down again. Do you still think it is a good buy for appreciation? Is the company's 1938 report out? Thank you for this and your advice in the past which I have found very helpful.

—H. S. R., Outremont, Que.

Yes, I still think that National Steel Car is an attractive speculative purchase. The financial report for the year ended June 30, 1938, has just been issued and it makes an excellent and progressive showing. Net profit was \$1,205,396, with earnings per share of \$9.27—a new record which surpasses the peak of \$1,147,807 reached in 1930. Net profit in 1937 was \$160,983 with \$1.24 earned per share; and in 1936, \$11,835 with 9 cents per share earned. Working capital was up to \$1,779,976 from \$1,243,251 in 1937 and \$995,094 in 1936.

As you probably know, the company has expanded its operations to include the manufacture of airplanes and recently completed a plant at Malton, Ontario, where twenty-eight planes are now under construction for the Royal Canadian Air Force. The prospects of further orders from both the British and Canadian governments are bright and this new activity should greatly supplement earnings from the company's main production—railroad equipment.

The dividend rate was jumped from 50 cents per share in 1937 to \$2.00 per share in 1938, and with the greatly improved earnings this year, another increase is not unlikely. The company is tending to diversify production more and more, which should stabilize earnings. As I have said, the manufacture of airplanes is not the least of National Steel Car's new enterprises. With air transport becoming more and more important, and air defense being stressed, the prospects for this venture seem particularly bright. Increased railway revenue as a result of bigger Western wheat crops should react to the benefit of the company in rail replacements.

SUDBURY BASIN

Editor, Gold & Dross:

In March 1937 on the advice of a friend who believed that base metals would go higher I bought ten shares of Sudbury Basin at \$6.40. As you know, they have gone steadily down. Please, would you advise me to sell out at this time or hold on?

—A. S., Victoria, B.C.

I am inclined to advise retaining your Sudbury Basin Mines shares in anticipation of an improvement in base metal prices as well as the mining market. The company is not actively developing any of its own properties at the present time, with the principal interest being in its substantial holdings in other companies. The most important holding is a block of 1,197,000 shares of Falconbridge Nickel Mines, while its other principal assets include large shareholdings in Canadian Malartic, Matachewan Consolidated, Sherritt-Gordon, Beattie, Nipissing and Osisko Lake.

As at December 31, 1937, security holdings and advances had a book value of \$3,888,036. During the 12 months the company received dividends and interest totaling \$426,938, and realized a profit on the sale of securities totaling \$186,802. Dividend payments were initiated early last year and 10 cents a share has been paid this year. With a sufficient upturn in the price of base metals, the company's copper-zinc-lead property at Sudbury will likely be re-opened.

PRESSED METALS

Editor, Gold & Dross:

What do you think of Pressed Metals of America as a buy now for holding? I rather like it, except for the fact that it is so tied up with the automobile industry. Do you think this is a seriously adverse factor?

—R. B. F., Belleville, Ont.

It seems to me that the automobile industry is a pretty good industry to tie to. It certainly has its ups and downs like other industries, but the experience of recent years shows that people continue to buy cars when they do without other things. And the outlook, apparently, is for an increase in automobile sales. But even so, Pressed Metals is diversifying its activities and is likely to gradually become less dependent on the automobile industry. Besides automobile specialties including brass and bronze bushings of various kinds, spring shackles and pivot bolts, knee-actions and other parts, the company recently went into production of standard bushings and other items for general industrial use. Earnings from this source are likely to be unimportant for some time to come, but may increase proportionately.

The last common dividend (50 cents per share quarterly) was paid December 30, 1937. Of course I can't say when there will be another, but the definitely brighter prospects for the automobile industry are encouraging. As to whether to buy now or wait, of course no one knows the answer to this. I think you might do well to wait for some evidence of a renewal of strength in the market before you take the step.

LARDEGO, GALLOWAY, CROWSHORE

Editor, Gold & Dross:

I purchased Lardego Gold Mines at 21 cents over a year ago. Can you give me any information? I thoroughly enjoy the Gold & Dross section of your paper and would be particularly interested in reading reports on Galloway Gordon and Crowshore.

—H. C. J., Carnduff, Sask.

The diamond drilling campaign at Lardego Gold Mines has been discontinued while the company is arranging new financing. The option entered into in June was dropped and negotiations are now proceeding with another group. The property adjoins Omega Gold Mines and it is hoped an extension of its orebody will be picked up as the geology is the same. Hole No. 2a in May at 597 feet cut 1 1/2 foot section and at 604 feet a one foot section of brecciated vein material, but the values were not high. Only assess-

ment work has been done on their "Pearl Beach" claims.

A diamond drilling contract was recently signed by Galloway Gordon Lake Mines to commence early this month on its Gordon Lake property. Present plans are for 5,000 feet, with additional footage if considered necessary. The first drilling will be on No. 1 vein at a point where a channel assay gave \$21.35 over a width of 22 feet. This section is reported to be located on a hump similar to that on the Camlaren property of Mining Corporation. The Galloway ground, in the opinion of their engineer, is on a direct line of strike with that of Camlaren discovery. The company has two groups of claims in the Gordon Lake district.

Crowshore Gold Mines has two groups of claims in the Crow River area, Patricia district, one of seven claims adjoining Albany River Gold Mines on the east and 19 claims, one mile further east. Some 29 drill holes were completed on the property adjoining Albany and this established two mineralized zones, and sufficient geological information was received to justify shaft sinking. The claim adjoining Crowshore, immediately to the north, was recently acquired to further protect the dip of their "A" zone, which is believed to be the extension of the Pickle Crow-Albany River break and the area in which interesting values were secured in drilling. Diamond drilling on the easterly group has also secured interesting results which indicate the possibility of the main break having carried through this property.

DONNACONA PAPER

Editor, Gold & Dross:

I hold Donnacona Paper "A" stock which I bought at higher prices than it is selling today. I'm wondering if I would not be wiser to take my loss and get out. What would you advise? How is the company doing? Any information you can give me will be appreciated by an old subscriber.

—G. W. P., Toronto, Ont.

I would advise holding your Donnacona "A" stock. Although this company produces newsprint—it has a contract with Hearst interests for 40,000 tons per annum which began in May, 1938—the greater portion of its profits is derived from insulating board. Recently the company completed a program of expansion which was designed to increase the quantity and quality of its output, and the benefits are now being felt.

As you probably know, the newsprint industry in general has slumped sharply as a result of the depression in the United States—the big outlet for Canadian newsprint. Donnacona, however, is an exception to the general rule, for sales and profits for the first six months of the current year have been announced to be ahead of the same period of 1937. The removal of the sales tax on building materials will be a distinct advantage to Donnacona and there is every indication that earnings in 1938 will top the 11 cents per share earned in 1937.

Although the company's financial position cannot be considered as sound, nevertheless improvement has been made in the last few years, and for the year ended December 31, 1937, working capital was \$880,663. While I think that dividends on the "A" stock are unlikely over the near term, I do think that the stock will show a satisfactory appreciation above present price levels. Whether or not it will return to the price at which you bought it, of course, impossible to say.

CAPPS GOLD

Editor, Gold & Dross:

I would appreciate having your opinion on Capps Gold Mines, located in North Carolina. I understand that this stock is unlisted and that there is a considerable portion of it in escrow until sometime this fall.

—M. J., New Glasgow, N.S.

The mill at Capps Gold Mines has been closed down since the middle of June while some changes are being made. A flotation unit is being added to the 100-ton cyanide mill and finer grinding is also planned. This is to take care of a certain amount of copper which was found with the gold at depth. When the recovery dropped tests of the ore were made and the addition of flotation recommended. The mill is to be reopened early this month. The possibilities of the property are considered favorable and the management believes it will be a profitable operation. Capps has acquired the Williams-Stewart property in the same area and ore developed there will be treated in the Capps mill. A limited tonnage of ore from Southern Gold was treated before the mill closed down and it is believed there are good possibilities for treatment of ore from other properties.

CANADA STEAMSHIPS

Editor, Gold & Dross:

What progress has Canada Steamships been making in the current year? I recently inherited some of this company's common and would like to be currently informed of the company's position. How will this year's results compare with 1937? Won't this year's wheat crops boost earnings? Thank you for this and your advice in the past.

—D. I. N., Charlottetown, P.E.I.

I understand that to date in the current year the bulk freight and the aggregate revenue of Canada Steamships are below the results recorded for the similar period in 1937. The poorer showing of the company has been made despite unprecedented business from the export of American corn through Canadian ports. This American freight more than made up for the decrease in the movement of Canadian grain, but a decided slump in the transportation of iron ore and coal as a result of poor business conditions was more than sufficient to pull this year's freight and revenue figures below those of last year when the steel industry was working close to capacity.

During the summer months the company usually derives a substantial part of its revenue from its passenger service and summer hotels. While tourist trade has been somewhat disappointing this year, particularly in the month of June, I understand that August passenger traffic has been unusually good, so that the company should about break even in revenue from this source.

I wouldn't like to hazard an opinion at this early

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Dividend Notices**THE BELL TELEPHONE COMPANY OF CANADA****NOTICE OF DIVIDEND**

A dividend of Two Percent (2%) has been declared payable on the 15th day of October, 1938, to shareholders of record at the close of business on the 23rd of September, 1938.

F. G. WEBSTER,
Secretary,
Montreal, August 24, 1938.

Associated Breweries of Canada Limited**DIVIDEND NOTICE**

NOTICE IS HEREBY GIVEN that a Quarterly Dividend (No. 40) of 1 1/4% upon the outstanding Preferred shares of the Company has been declared payable on the 15th day of October, 1938, to Shareholders of record at the close of business on the 15th day of September, 1938.

NOTICE IS ALSO GIVEN that a Quarterly Dividend (No. 36) of 20c per share on the No Par Value Common shares of the Company, issued and outstanding, has been declared, payable on the 30th day of September, 1938, to Shareholders of record at the close of business on the 15th day of September, 1938.

By Order of the Board,
I. N. WILSON,
Treasurer,
Calgary, Alberta,
August 22nd, 1938.

DOMINION Textile Co. Limited**Notice of Preferred Stock Dividend**

A DIVIDEND of One and Three Quarters per cent (1 3/4%) has been declared on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th September, 1938, payable 15th October 1938, to shareholders of record 30th September, 1938.

By order of the Board,
L. P. WEBSTER,
Secretary,
Montreal, Aug. 24th, 1938.

DOMINION Textile Co. Limited**Notice of Common Stock Dividend**

A DIVIDEND of One Dollar and Twenty-five cents (\$1.25) per share, has been declared on the Common Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th September, 1938, payable 1st October, 1938, to shareholders of record 15th September, 1938.

By order of the Board,
L. P. WEBSTER,
Secretary,
Montreal, August 24th, 1938.

THE MONTREAL COTTONS LIMITED

NOTICE IS HEREBY GIVEN THAT A QUARTERLY DIVIDEND OF ONE AND THREE QUARTERS PERCENT (1 3/4%), being at the rate of Seven percent (7%) per annum, has been declared upon the preferred stock of the Company, and cheques will be mailed on the fifteenth day of September next to shareholders of record at the close of business on the 31st day of August, 1938.

By Order of the Board,
CHAS. GURNHAM,
Secretary-Treasurer,
Valleyfield, August 24th/38.

THE MONTREAL COTTONS LIMITED

NOTICE IS HEREBY GIVEN THAT A DIVIDEND OF ONE HALF OF ONE PERCENT (1/2%) has been declared upon the Common Stock of the Company, and cheques will be mailed on the fifteenth day of September next to shareholders of record at the close of business on the 31st day of August, 1938.

By Order of the Board,
CHAS. GURNHAM,
Secretary-Treasurer,
Valleyfield, August 24th/38.

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Arncroft Place 4/56	52	58
Balfour Bldg. 6/43	30	35
Bay-Adelaide Garage 6 1/2/47	29	33
Bloor St. Geo. Rtdy. 7/46	40	45
Deer Park Manor 7/40	43	48
Dominion Square 6/48	53	57
Ellis Park Apts. 6 1/2/45	51	56
Godfrey Realty 6/42	39	43
Lord Nelson Hotel 4/47	44	48
Mayor Bldg. 7/42	39	43
Montreal Apts. 3 1/2/48	62	66
Nor. Ont. Bldg. 6 1/2/39	96	100
Ontario Building 3 1/2/43	26	31
Ogilvy Realty 2 1/2/41	65	70
Richmond Bay 6 1/2/47	92	96
Richmond Bldg. 7/47	16	20
St. Cath. Stanley Rty. 3/37	33	38
Vancouver Georgia Hotel 6/47	55	60
Windsor Arms Hotel 6 1/2/47	80	85

MUNICIPAL ISSUES

East York, Township of	62 1/2	66 1/2
Etobicoke, Township of	96	101
Port Erie, Town of	96	100
Kingsville, Town of	95	103
Leamington, Town of	98	103
Leaside, Town of	98	103
Midland, Town of	98	102
Mimico, Town of	100	105
New Toronto, Town of	100	105
Niagara Falls, City of	100	105
North York, Township of	96	101
Pembroke, Town of	99	103
Riverside, Town of	13	18
St. Boniface, City, 5 1/2	39	42
Scarborough, Twp. of	31	35
Sudbury, Town, 5 1/2	101	103
Trenton, Town of	98	102
Weston, Town of	95	100
Windsor, City 3 1/2/78	61 1/2	64 1/2
York, Township of	74	80

Municipal quotations are necessarily approximate, there being various coupon rates and maturities.

GOLD & DROSS

date as to what the final results for 1938 will be. Better Western crops should certainly react to the benefit of the Canada Steamships and should bring a considerable increase in income both from greater volume and higher rates. Since the Canadian Wheat Board has guaranteed a price in excess of the current market, a stimulated flow of wheat to interior and terminal elevators is likely to result. A glut of wheat in Western terminals is likely to cause the transfer of a considerable portion to Eastern Canada, and Canada Steamships may have more freight to handle than has been reckoned upon.

Last year the company showed net income of \$235,495—the first time it has been out of the "red" since 1929. While I don't think that 1938 results will be much in excess of 1937, I do think that 1939 will be a big year, granted that business continues its uptrend.

BOBJO

Editor, Gold & Dross:

Will you please give me some information about Bobjo Mines Limited. I am told it is a holding company. What does it hold? Have you seen a balance-sheet? Is it doing anything on its own property? I was greatly interested in your recent issue on the lake-head cities.

—J. D., Fort William, Ont.

Bobjo Mines is an exploration and holding company. Its principal stock holdings are Sand River Gold Mining, God's Lake Gold Mines and Paymaster Consolidated. The balance sheet as of April 30, 1938, showed cash and accounts receivable of \$32,957, as against current liabilities of \$2,762. In addition, advances and investments in other mining companies totalled \$1,055,570, at book value, less an investment reserve of \$198,499. The company has a 90 per cent interest in the Bobjo claims, and 45 per cent interest in Kijo claims, in the Northwest Territories, now being explored by Ventures Ltd.

Bobjo was one of the pioneer development companies in the Patricia district and its property there, which is in the same area as Uchi Gold Mines, is now undergoing a new campaign of exploration. The Bobjo property had a spectacular high grade showing in the early days but underground continuity of the ore was not proven. Now with the Uchi approaching production in an important way the ground is to be again tested.

CANADIAN INDUSTRIAL ALCOHOL

Editor, Gold & Dross:

Can you give me some information on the progress Canadian Industrial Alcohol has been making this year? Has Hiram Walker withdrawn its offer to take over the company? If so, will Industrial Alcohol pay a dividend? I'm interested in this stock, but have been away, so I would appreciate anything you can contribute that will bring me up to date.

—R. C. T. Campbellton, N.B.

Yes, Hiram Walker has withdrawn its offer to take over Canadian Industrial Alcohol. Under the Hiram Walker offer, holders of 100 shares of Canadian Industrial Alcohol would receive in exchange 15 preference shares and 3 common shares of Hiram Walker-Gooderham & Worts. The offer was refused because of the opposition of a minority group of shareholders and consequently withdrawn. The company remains under the control of Hiram Walker interests, but is not a wholly-owned subsidiary as it would have been if the plan had gone through.

I think that holders of Canadian Industrial Alcohol stock are reasonably assured of a dividend applicable against the fiscal period which ended August 31, 1938. The company's fiscal year has been changed to end in August instead of September, and the report will therefore cover 11 months instead of twelve. No full information is available which would enable me to reckon earnings for the eleven-month period, but an interim report for the first nine months showed net available equal to 17.5 cents per share after all deductions and exclusive of non-recurring items such as profit on the sale of fixed assets. If the pace of business was maintained in the final two months of the year, another 3 1/2 or 4 cents might be added to the nine months' earnings to bring total earnings to around 21 or 22 cents. If a disbursement is made, it will be the first since January 15, 1930—a period of over 8 1/2 years. The company earned 49 cents per share in 1937; 32 cents per share in 1936; and 20 cents per share in 1935.

CHROMIUM MINING AND SMELTING

Editor, Gold & Dross:

Will you kindly give me your opinion as to the wisdom of purchasing Chromium Mining and Smelting stock at the present market value. I understand that this property is producing but not paying any dividends at the present time. I would, however, be willing to hold Chromium stock for some time with the thought that it may yet become revenue-producing and also increase in value.

—S. W. E., Toronto, Ont.

Revenue producing possibilities of Chromium Mining and Smelting Corporation are largely dependent upon profits to be derived from sale of a new product which should be ready for marketing in November and which is a development of the Udy metallurgical process of treating medium to low grade chromite ores in respect to iron-chromium ratio. The new product is stated to have wide application in the manufacture of alloy steels and irons of low chromium content, and no radical changes in steel making practices are required for its adaptation. Company officials are confident that there will

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be an expanding and profitable market ahead of the new product for a long time. The Udy process, which is owned by the company, has made available many economic sources of ore and no difficulty is expected in securing the type necessary to this treatment.

The intention is to enlarge the present smelter and in order to do this, supply working capital and place the company in a sound financial position, about \$1,200,000 will be required, including advances already made. To do this the company's authorized capital stock will be raised from 3,000,000 to 4,000,000 shares, and an issue of short-term notes made, with rights to be offered to the shareholders. It is anticipated that the returns from the outset should be fully commensurate with the total investment involved in the enterprise. The N. A. Timmins Corp. has to date advanced the company approximately \$500,000.

ASSOCIATED BREWERIES

Editor, Gold & Dross:

I have a moderate sum of money which I would like to put to work. I would like something that shows chances of appreciation and yet is fairly sound. I have been thinking of Associated Breweries. What is your opinion of this company's common stock? Since it is a Western company, won't better crops affect it favorably? Many thanks for your help.

—B. A. D., Truro, N.S.

Associated Breweries looks like an attractive purchase at the present time either for appreciation or for income. And certainly I think that the improving economic condition of Western Canada indicated by a healthy crop situation, and the more even distribution of crops in areas that for years have suffered from drought, should find reflection in the earnings of Associated Breweries. Sales and profits for the first six months of the current year were reported to be moderately higher than for the same period in 1937, and with mounting Western confidence, plus returns for the rest of the good summer months, the same gait is expected to be maintained for the balance of the year.

Associated Breweries has, over the past several years, been widening its activities and the results of this expansion are now accruing to it. At the present time four modern plants are operated in the West: at Calgary, Regina, Lethbridge, and Prince Albert. Net profits in 1937, after all charges, were equal to \$51.85 per preferred share and to \$1.72 on the common. In 1936, \$44.68 was earned on the preferred and \$1.54 on the common. Dividend disbursements on the common stock in 1937 amounted to \$1.05 per share. To date in 1938 three regular quarterly dividends have been declared. This is the same rate which prevailed in 1937, in which year an extra of 25 cents per share was paid at the year's end. As I have said, I think the stock is attractive for its possibilities or for income. The company's operating outlook is considerably clearer than it has been for some time, and better crops and a more settled political situation in the West should result in better earnings.

BARRY-HOLLINGER

Editor, Gold & Dross:

Relative to the gold stock Barry-Hollinger, which is not currently listed on the curb market, would be interested to know if this stock has any chance of a comeback. Any information would be greatly appreciated.

—S. L., Petrolia, Ont.

Barry-Hollinger Mines is inactive and I am sorry to say that the outlook is not at all promising. Operations at the Boston Creek property were suspended early in 1936 and an option was then taken on a 70 per cent interest in Matheson Mines, but this was dropped due to inconclusive results. Since then a deal was made with a company in Mexico, which, while admitting the Barry-Hollinger shares were worth nothing, were charitably enough inclined to offer to make them worth something. Promissory production notes were to be issued in exchange for Barry-Hollinger shares, but it was not long before they found the United States and Canadian mails closed to them.

IMPERIAL OIL, INTERNATIONAL PETE

Editor, Gold & Dross:

I'm worried about some International Petroleum and Imperial Oil stock which I am holding at the present time. I have had 100 shares of each company's common stock for some years. I notice that they are selling very low now, although both are good dividends. What is your advice about holding these stocks? Are the present dividends likely to be continued? Were the companies affected by the oil seizures in Mexico?

—F. L. C., Kitchener, Ont.

Personally, I would be inclined to hold my Imperial Oil and International Petroleum stocks. You are probably aware that Imperial Oil controls International Petroleum, which is its principal source of income. And, with International Petroleum expected to maintain dividends at current levels of \$2.50 per share, the 1938 outlook for Imperial Oil is satisfactory. Although profit margins on its Canadian operations—which depend on the spread between the cost of imported crude and the price of refined products—are expected to be narrower, anticipated gains in the promising Turner Valley field may prove an offsetting factor. Consumption of petroleum products in 1938 is expected to be about the same as in 1937. Consequently, full year earnings should not be far from the 98 cents a share earned last year. In the past several years dividend payments have been in excess of earnings, but the company's financial position is unusually strong and a liberal dividend policy should be continued.

International Petroleum's production of crude oil through the first eight months of the current fiscal year, that is, to the end of June, was moderately larger than in the same eight months of 1937. Because crude prices have been well maintained, earnings should be somewhere around the \$1.81 per share earned a year ago. Like Imperial Oil, this company has, over the past several years, made dividend payments in excess of earnings. But, like Imperial Oil it is in an exceedingly strong financial position, and complete control of the concern by Imperial Oil suggests no imminent change in the company's dividend policy.

Neither of these companies was affected adversely by the seizure of foreign oil holdings in Mexico.

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MINES BY J. A. M'RAE

SISCOE Gold Mines has maintained gross income at an average of \$210,000 per month so far this year. The mill is handling an average of 18,000 tons monthly, compared with a little over 15,000 tons per month last year. Grade, however, is lower. Although costs have been reduced more than 50 cents per ton, the profit is approximately \$17,000 per month lower than that prevailing a year ago.

McIntyre-Porcupine is expected to show an ore reserve of well over \$40,000,000 at the close of the current year. The company has cash and invested surplus with a value of close to \$19,000,000, yet continues to pay just \$2 per share annually in dividends despite the fact that net profits exceeded \$4 per share annually.

The Little Long Lac gold area, although very new among the gold fields of Canada, already accommodates over 5,000 people, and with both the mines and the mining town of Geraldton growing rapidly.

Falconbridge Nickel Mines has added to ore resources at a remarkable rate this year, and the total by the end of this year may reasonably reach 7,000,000 tons. At one point in the mine the ore shows a continuous length of approximately a mile and a half. Gross metal content of the ore in sight closely approaches \$100,000,000 at normal metal prices. The com-

pany has declared a quarterly dividend of 7 1/2 cents per share, payable Sept. 30.

Upper Canada Mines is drifting in high grade ore at the 500 ft. level, with high values over a length of 50 ft. as so far disclosed at the time of writing.

Gold production from the mines of Canada continues to rise at an astonishing rate. The output reached 390,693 in June, or \$13,800,000 at prevailing price of gold. This rate of over \$165,000,000 a year breaks all former records.

Ontario mines alone produced 237,500 ounces of gold during the month of June. In all directions there is promise of continued growth of the mines already established and the new enterprises already financed for development and mill construction.

About the only adverse feature in the field of gold mining is found in the fact that securities commissions are discouraging the activity of prospectors, grubstakers and promoters of new enterprises. Activity among prospectors in Ontario, Quebec and also Manitoba, is at a much lower eb than might be reasonable to expect under conditions where the industry at the established mines is flourishing.

The financing of the majority of new mining enterprises is based to a considerable extent upon possibilities. The security commissions appear to refuse to recognize this fact. There is a tendency to frown upon attention being drawn to comparison of geology with other mines and the reasonable

(Continued on Page 23)

Concerning Insurance

SOUND JOBLESS COVER

Unemployment Insurance By Industry Proved Feasible
by Special Scheme in British Insurance Business

BY GEORGE GILBERT

WHEN unemployment insurance legislation was adopted in Great Britain in 1920, industries were given the right to administer their own insurance funds under certain conditions. Few industries, however, felt like assuming such a responsibility, and only two, the banking and the insurance business, took advantage of the privilege to establish a special insurance scheme of their own. Later, by an amendment to the law, the right set up special schemes was withdrawn, though the existing special schemes were allowed to continue.

In the insurance business, the ad-

ministration of its special unemployment insurance scheme was entrusted to a Board called the Insurance Unemployment Board, and its record for the past seventeen years is well worth the careful study of those interested in the question of unemployment insurance, either for one industry or for all industries.

Despite the constant amendments to the Unemployment Insurance Act, broadening the scope of the cover and removing various former safeguards, the Board has maintained its insurance scheme in a sound financial condition, and has rendered effective service to the unemployed in the insurance business. When it is remembered that over two dozen amending Acts have already been passed, besides a multiplicity of ancillary regulations, some idea will be gathered of the difficulties to be surmounted in successfully carrying out its undertaking.

ONE fact definitely established by the experience of the insurance industry scheme is the advantage of dealing with the problem of unemployment insurance by way of a special scheme for each industry rather than by a general scheme for all industries. Insurance by industry undoubtedly contains the key to its own employment and unemployment problems. An insurance scheme for each industry can be required to maintain a solvent condition at all times, whereas a general scheme is bound, under the inevitable political pressure, to drift away from sound insurance principles and become a "dole."

In the report of the Insurance Unemployment Board for the year ended March 31, 1938, recently issued, it is noted that the insurance industry scheme applies compulsorily to all insurance employers and to all insurable persons engaged in the insurance industry in Great Britain and Northern Ireland. A separate scheme operates in Northern Ireland in consequence of the provisions of the Government of Ireland Act, 1920. Insurable persons are those whose earnings are not more than £250 (\$1,250) per annum.

Net contributions from employers during the fiscal year amounted to £231,000 8s. 11d., while interest on investments was £20,224 19s. 3d., and profits on investments realized £17,024 12s. 8d., making the total net income £268,250 0s. 10d. The Board has built up a fund of £626,192 5s. 9d. Its investments are taken into the balance sheet at the cost price, £611,212 12s. 10d., and the head office building is taken in at £25,000.

IN VIEW of the fact that insurance employees are not required to contribute to the cost of their unemployment insurance, while employees insured under the general scheme must make a regular weekly contribution, the building up these assets and reserves by the Insurance Unemployment Board is a tribute to the foresight of those who claimed that a special scheme for the insurance industry was a practical undertaking, and is also a tribute to the efficiency and skill with which the affairs of the Board have been administered.

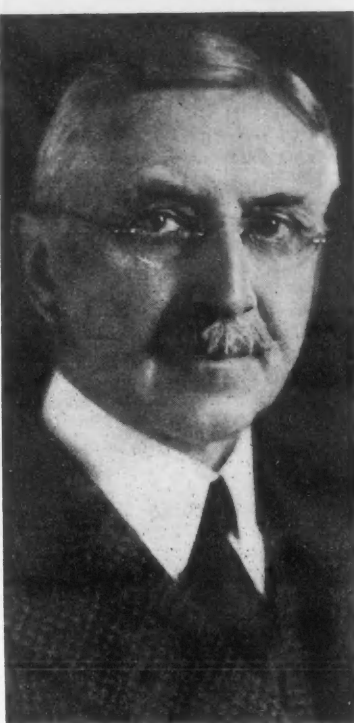
Insurance employers make their returns of insured persons and pay their contributions at quarterly intervals, and the maximum number of insured persons for the year was reached on the fourth quarter day, January 1, 1938, when the number of insured persons stood at 124,677, as against 122,267 on April 1, 1937. Ordinary life companies and general insurance companies reported 38,613 insured persons; industrial insurance companies and collecting friendly societies, 67,249; Lloyd's of London, 7,971; friendly societies orders, friendly societies, industrial assurance approved societies, and miscellaneous approved societies, 10,458; and miscellaneous employers, 386. Of the total reported, 122,561 were in respect of Great Britain and 2,116 in respect of Northern Ireland.

During the year no less than 5,068 persons passed out of the scheme as a result of an increase in salary which brought them over the insurable limit, £250. This is regarded as an effective answer to those who charge insurance employers with a deplorable lack of generosity in the matter of salary increases. The number of insured persons on January 1, 1938, was greater by 2,636 than the number on January 1, 1937.

CLAIMS to benefit during the year numbered 9,851, including 275 previously closed and reopened during the twelve months, and 249 brought forward on April 1, 1937. Claims closed during the year numbered 7,418, leaving 2,553 on the books as at March 31, 1938. Considerably more than two-thirds of the whole number of claimants were classified as agents, 53 being female agents, and the number of female agent claimants exceeded by 11 the number of female shorthand typist claimants.

Claims regarded as not entirely satisfactory numbered 748, and in the case of 310 of these a decision was deferred for periods of one to six weeks on the ground of misconduct, while 194 claimants voluntarily resigned; 154 were not unemployed or refused employment, etc.; 16 were not capable and not available, while 69 claims were regarded as not satisfactory on "other grounds." Awaiting classifications were 318 claims.

During the year ended March 31, 1938, the amount paid in benefits was £123,695, which was £10,536 less than the amount paid in the previous year. There was a large number of payments made in respect of 7,596 dependents entitled to benefits. In some instances a periodical review of claims revealed cases in which



ARTHUR B. WOOD, F.I.A., F.A.S., President and Managing Director, Sun Life Assurance Company of Canada, who will deliver an address before the 15th annual conference of the Life Office Management Association, to be held in Montreal, September 26-29. The Sun Life will be the host company.

—Photo by "Who's Who in Canada."

benefits had been wrongly obtained, and in six instances prosecutions were instituted, resulting in four convictions; one case was withdrawn and one case was pending when the year closed.

Management charges amounted to £25,064 10s. 8d., showing a small increase over those of the preceding year, but the expense ratio of 12.86 per cent showed little variation from that of the previous year. In this connection, the valuable services rendered by the Employment Department of the Board must be taken into consideration. When the Department is notified by employers of staff vacancies, prompt action is taken to fill them. The total number of positions obtained during the year by claimants whose names were on the Board's Unemployment Register was 6,323, and although the Board does not claim to have been directly responsible for obtaining all of these, it took some step in every case to attain the desired end.

REPORT ON VALUATION OF SECURITIES

FOLLOWING is the report of the Valuation Committee of the National Association of Insurance Commissioners, presented at the recent annual convention at Quebec. It is of interest in Canada, because the basis of valuation set out in the report, with such minor adjustments as are necessary to adapt it to Canadian statutes and forms, is the one used by the Provinces for the valuation of the securities of Provincial insurance organizations.

One of the most important problems in insurance supervision is the proper valuation of securities. The insurance world is not at all of a common mind on this problem. There are many who feel that securities should be valued as of the market on the last day of the year and others who are strongly of the opinion that it is unfair to adopt the market at any given date and that some form of average values should be accepted. No emergency or crisis exists at the present time which requires action on our part, but it is timely that we consider this very important subject.

While a good case can be made for either theory, it does seem that if the supervising insurance officials of this country come to the aid of the companies in depressions and adopt some theory of average values when securities are down, a general plan for valuing securities at all times, which will bring down the peaks as well as elevate the valleys, should be seriously considered.

For thirty-one years the Convention Book of Security Values has been published under the auspices of the Association. The first of these books was published in July, 1908, for use in connection with annual statements filed for the year ending December 31st, 1907. In January of each year a similar volume has been published giving values to be applied to the securities shown in the annual statements.

It is interesting that twelve out of thirty-one of these volumes have contained values other than the December 31st market quotations. In three instances, average values were confined to some classes of bonds, while actual market quotations for other classes of bonds and for all stocks were used. The record, therefore, lends itself to the conclusion that in the judgment of this Association, actual market quotations as of December 31st do not necessarily represent the true or fair basis of security values.

In the past, the use of average values has been predicted upon emergencies. The panic of 1907 accounted for the use of such values in connection with the 1907 statements. Then came the World War in 1914. Dealings in bonds and stocks almost ceased from August 1st to December 15th, and in many countries stock exchanges were temporarily closed. This necessitated the use of average values. When we entered the war in 1917, our security values were considerably affected and continued to be until 1921. As a consequence of this world disturbance, average val-

ues were used for the years 1917 to 1921, inclusive. The sudden crash in 1929 disorganized the market to such an extent that in the years from 1931 to 1933 average values again had to be resorted to.

The same formula was not always used. In 1907 an average of the quotations on all stocks and bonds as of the first business day of each of the twelve months and as of December 31st was used. This formula has sometimes been referred to as the "Rule of 13."

In 1914, it was thought that the value of securities on June 30th was more representative of actual values than those at the end of the year so that all securities were valued as of that date.

In 1917 average quotations of all stocks and bonds on November 1st, 1916, February 1st, May 1st, August 1st and November 1st, 1917, was the rule.

In 1918 the mean between the 1917 convention values and the market quotations as of November 30th, 1918, was the formula adopted.

For the years 1919, 1920 and 1921 an average was adopted representing the mean between the convention value of each year immediately preceding and the market quotations of securities on November 1st of each of those years.

The values adopted for the 1931 statements were the actual June 30th, 1931, quotations. The same values were also used for the 1932 statements.

The values for 1933 for stocks and bonds were based upon the mean between the 1932 convention values and market quotations of November 1st, 1933, excepting the bonds of governments and their political subdivisions. In the latter case, with some exceptions, values of the previous year were used.

For 1934, stocks and bonds were valued at the actual December 31st quotations except that non-amortizable and defaulted bonds of political subdivisions were on a special basis.

In the 1935 statements all stocks and bonds except those of political subdivisions were carried at the actual December 31st quotations. For bonds of political subdivisions the mean between the convention values of the previous year and July 1st, 1935, quotations was used.

In 1936, the values for all stocks and bonds except bonds of political subdivisions were the December 31st quotations. Bonds of political subdivisions were shown at the mean between the 1935 convention and the October 1st, 1936, quotations.

We have become so accustomed to the use of some formula for arriving at the fair value of securities that it is wise to consider the adoption of a permanent formula. While those companies which are in danger do not hesitate to make strenuous pleas for relief in times of extreme economic disturbances, no one is sufficiently interested on the part of policyholders and the public to object to the use of market values when securities are inflated and are selling far beyond their intrinsic worth. It is obvious that if some plan of fixing fair values is adopted, those affected must accept the disadvantage as well as the advantages.

It should be made clear that the life companies will be little, if any, affected by any plan of average values. Most of these companies either do not have any common stocks or have only a small part of their assets in such stocks. In practically all States it is the rule to amortize bonds.

The fire and casualty companies are particularly affected. It has been found by experience that the acceptance of amortized values for bonds which are not in default and are amply secured produces a stabilizing influence. There is no general suggestion that we go back to market quotations for bonds. It seems logical to apply the theory of average values to stocks if it is deemed for the best interest of the insurance industry and the country. It is also possible that some plan for creating reserves against security fluctuations might be established. It requires no argument that as a class stocks fluctuate more rapidly and widely than bonds. Twenty-three States responded to the questionnaire inquiring whether or not some plan of average values would be desirable. Eleven of these States were in favor of the plan. Six States were definitely opposed. Three States indicated that they would accept the plan if it met with the approval of the Convention. Three other States were doubtful.

This Committee is, therefore, of the opinion that there is sufficient merit in the proposal for permanent use of average values to require further study. It asks that it be instructed to continue its consideration of this matter and determine whether a system of average values is feasible and advisable from the standpoint of the general welfare. The Committee should endeavour to work out a plan for such values which it deems just and equitable, surround it with every possible safeguard against abuses, and report its conclusions at the December meeting.

The following resolutions were adopted for the values to be used in the 1938 statements:

RESOLVED that the book on valuations of securities to be published under the auspices of the National Association of Insurance Commissioners in January, 1939, shall be prepared upon the following basis:—

1. Stocks and Bonds (other than those described in paragraph 2 below) shall be valued at market quotations as of December 31st, 1938, except that in the case of securities not quoted on that date the latest available information shall be used. Stock valuations shall include dividends declared or accrued.

2. Bonds of States of the United States and of Provinces of the Dominion of Canada and political subdivisions thereof shall be valued at



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Insurance money from established company in every Province

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Everything but Life Insurance—Agency Correspondence invited.

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A complete British Empire and Foreign Banking Service

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Incorporated by Royal Charter, 1277.

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TOTAL ASSETS £85,891,644

Associated Bank—Williams Deacon's Bank, Ltd. (Members of the London Bankers' Clearing House)

YOUR MONEY BACK!

MARLIN on a razor blade means the finest money can buy—or your money back! It's the Swedish steel, special honing, super-keen sharpness, rigid inspection which give you more and smoother shaves. And remember, Marlin blades are backed by the makers of fine guns, since 1870. Try a package today at our risk! At your dealer or from NORMAN S. WRIGHT & CO., LTD., distributors, Toronto.

12 HIGH-SPEED MARLIN BLADES 25¢

market quotations as of December 1st, 1938; if issued subsequent to December 1st, 1938, the original offering price (cost) shall be used.

RESOLVED that for the inventory of stocks and bonds in the annual statements of insurance companies and societies as of December 31st, 1938, the following basis is recommended as fair market value:—

1. All bonds amply secured and not in default shall be valued on an amortized basis wherever and in the manner permitted by law.
2. All other bonds—and where amortization is not permitted by law, all bonds—should be valued as shown in the Book on Valuations of Securities published under the auspices of the National Association of Insurance Commissioners.
3. Stocks should be valued as shown in the Book on Valuations of Securities except as hereinafter provided.
4. Stocks held by life insurance companies may be valued in the aggregate at the cost or book value, whichever is lower, provided the income received by such companies on such stocks in the aggregate, during each of the five years preceding the date of valuation, shall have been at a rate sufficient to meet the interest required to maintain policy reserves and other policy obligations, and provided further that the net investment income received by such companies on their ledger assets shall not have been less than required to maintain the reserve. This shall not apply to stocks of corporations in receivership or similar status. Cost as used shall be held to include stocks received as exchanges or rights received as dividends or otherwise at not to exceed the market value quoted on the date acquired.

FURTHER RESOLVED that in cases where the condition of insurance companies may require the immediate disposition of securities, it is recommended that the discretion of the State supervisory officials of insurance should be exercised to vary the general formula herein set forth, so as to adopt prices reflected by the exchanges."

LOW DEATH RATE OF CANADIAN INDUSTRIAL POLICYHOLDERS

JULY was another good health month for the Canadian Industrial policyholders of the Metropolitan Life Insurance Company, the death rate being 17.8 per cent lower than for July of last year. The company statisticians point out that at the end of the first seven months of 1938, the cumulative mortality rate was 6.2 per 1,000, an all-time minimum for this part of any year.

Noteworthy are the new low records established for measles, scarlet fever, tuberculosis, diarrhoea and enteritis, and appendicitis. The record for tuberculosis is particularly noteworthy since the 1938 cumulative rate was 8.2 per cent above the 1937 rate as late as the end of May. Cancer mortality is lower in Canada this year, a situation very different from that in the United States where the



HUMAN BURROWS. One of the first two bomb-proof shelters that have been built for a London local authority is this one at Caxton Hall, London, England. The shelters consist of a steel-lined gallery built within the area of Caxton Hall, and a converted part of the basement corridor which has been provided with a locksheet steel ceiling. The gallery consists of locksheet steel sections which curve upwards, lock into the form of an arch, can withstand tremendous pressure. It is reinforced at each end with brick and concrete, covered with sandbags to depth of over two feet. Airlocks keep gas out of both shelters, steel doors are splinter-proof, an air-infiltration plant has been installed, and wall panels coated with luminous paint afford emergency lighting.

they caught up again upon return to work.

The London Life has over 500,000 Industrial policies in force, all of which are participating. This holiday plan, with its practical benefits to both policyholders and agents is an exceptionally large undertaking but wholly in accord with the Company's policy to do everything it can in furthering the best interests of its policyholders and representatives.

LIFE INSURANCE LOTTERY IN VIENNA

WITH the object of popularizing life insurance, certain Austrian life insurance companies have combined insurance with a lottery scheme, it is reported. Periodically a specified number of policies are drawn by lot, and these policies immediately become payable irrespective of the maturity date. The first drawing took place in Vienna recently, and policyholders holding policies with the lucky numbers received immediate payment of the sums insured.

MUST BE BOUGHT WHEN YOU CAN GET IT

IN TIMES of war and epidemics, the demand for life insurance suddenly increases, because men naturally think of its protection when danger threatens or when sickness comes. That is, often when it is too late, they wish they had taken more of it when they could get it. Unlike many other things, a person cannot safely postpone taking out insurance.

INSURANCE INQUIRIES

Editor, Concerning Insurance: As a subscriber to your paper, I would appreciate it, if you would give me any information you can regarding the Mutual Benefit Supporting Society of America. They have an office on Main Street, Winnipeg and are selling Life Insurance policies.

Will you please tell me if they are safe to insure with.—What are their assets and what would be their position in the case of an epidemic? —W. J. A., Winnipeg, Man.

Mutual Supporting Society of America, with head office at Winnipeg, is not an insurance company, nor is it a fraternal benefit society, but is what is known as a mutual benefit society. It is not required to maintain a deposit with the Government for the protection of policyholders.

It is claimed that its business is now on an actuarial basis, with the exception of one of its plans which is still on the assessment system but which will have to be readjusted to an actuarial basis within the next year or two in order to comply with the present requirements of the law in Manitoba.

By an amendment to the Manitoba Insurance Act in 1935, all organizations paying death benefits in excess of \$400 were required to be placed on an actuarial basis within a period of four years, regardless of the date of their incorporation.

This society has been in existence since March, 1931, and in 1934, when its affairs were being investigated by the Select Committee of the Manitoba Legislature, claimed to have about 2,200 members. No information is available in the Manitoba Insurance Department report as to its business or financial standing, and its name does not appear on the list of societies published in the report.

NOTICE TO READERS

Saturday Night's Insurance advice service is for the use of paid-in-advance mail subscribers only. Saturday Night regrets that it cannot answer inquiries from non-subscribers.

Each inquiry must positively be accompanied by the address label attached to the front page of each copy of Saturday Night sent to a regular subscriber and by a stamped, self-addressed envelope.

Each letter of inquiry should refer to one subject only. If information on more than one subject is desired the sum of fifty cents must be sent with the letter for each additional question. Inquiries which do not fill the above conditions will not be answered.

September Is A Good Month to Put on Some More Insurance

UNION INSURANCE SOCIETY OF CANTON LTD

ESTABLISHED 1835
FIRE, CASUALTY, LIABILITY
ASSETS \$30 MILLIONS

HEAD OFFICE FOR CANADA, TORONTO
COLIN E. SWORD, Manager for Canada
J. W. BINNIE, Associate Manager (Montreal)

What do you suggest? I am 33, my wife 31, both healthy and good healthy stock, no children yet—protection as above and in addition about \$5,000 Company insurance. My net income—after taking out all living expenses is roughly \$3,000 and should keep up this way barring war, etc. I would like to enjoy income from the policy between 50 and 55. You will see that there are a variety of choices in the letter which seem confusing to me. For example, it seems to me that if you have an endowment policy it costs just as much as a straight life policy and a pension type would cost separately. Am I right in this? If I am, why not carry the straight life until I am 50, then take the cash value and put it into a pension bond. Would this be the best. On the other hand do you think that the insurance companies make one pay too dearly for the work they do and the responsibility they take in looking after the investment of money. It seems to me that the spread in an endowment is very high.

—K. S. V., Vancouver, B.C.

As you will in all probability still require family protection during the next twenty years, and as the amount of insurance you now hold is by no means too large for the purpose, while the cost is low, my advice would be to maintain your existing policies in force without any change until such protection is no longer required or until such time as income rather than protection is needed, and then convert the cash value of the insurance into an annuity or last survivor annuity, or use the cash value for any other purpose which may best meet your requirements at that time. In that way you will get the most value, in my opinion, for the money you will have paid in.

If in addition to keeping up the payments on your present policies, you feel that you can afford to make further provision for the future, you will be making no mistake if you purchase a Deferred Annuity or Pension Bond contract, with the income guaranteed for a definite term of years in any event and with the return of the amount paid in guaranteed in the event of your prior death.

Editor, Concerning Insurance:

I would like to know whether the United Pacific Insurance Co. is regularly licensed in Canada, and whether it has a deposit in this country for the protection of Canadian policyholders. How long has the company been in business?

—S. A. C., Victoria, B.C.

United Pacific Insurance Company, with head office at Seattle, Wash., and Canadian head office at Vancouver, is regularly registered in Canada for the transaction of automobile insurance, excluding coverage against fire or theft, restricted to the Prov-

ince of British Columbia. It has a deposit of \$26,500 with the Government at Ottawa for the protection of Canadian policyholders exclusively.

It was incorporated in 1928, and its name was formerly The United Pacific Casualty Insurance Company. It has been doing business in Canada under Dominion registry since 1934. At the end of 1937 its total assets in this country were \$34,066.75, while its total liabilities here amounted to \$13,207.11, showing a surplus in Canada of \$20,859.64.

Its head office financial statement showed total assets at December 31, 1937, of \$2,188,522; total liabilities except capital, \$1,387,396; surplus as regards policyholders, \$801,126; paid up capital, \$400,000; net surplus over capital, reserves and all liabilities, \$401,126. Claims are readily collectable, and the company is safe to insure with.

Editor, Concerning Insurance:

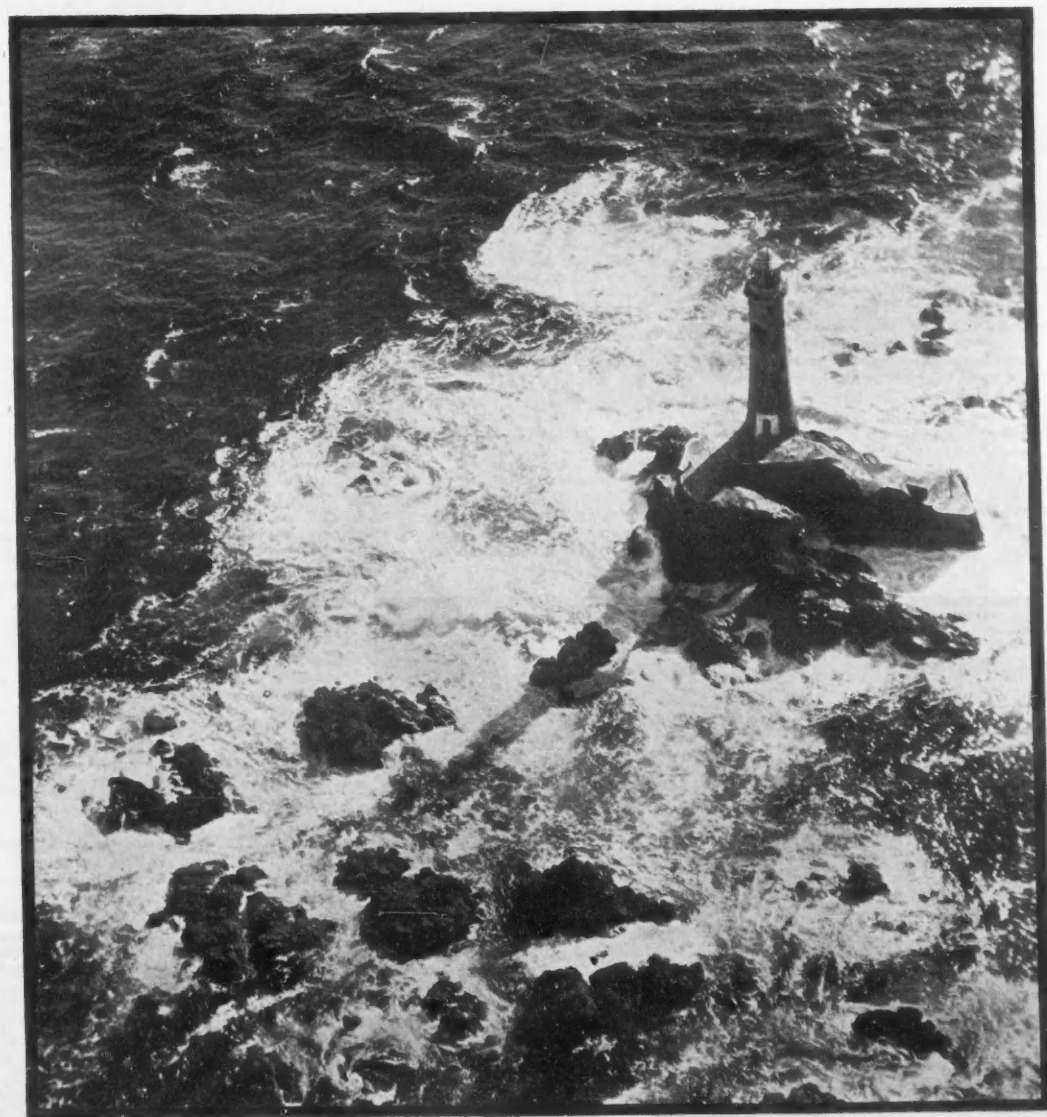
What is the financial position of the Alberta Life and Accident Insurance Co. of Calgary? How long has it been in business, and has it a government deposit for the protection of policyholders? Any information you can give me will be appreciated.

—H. L. B., Lethbridge, Alta.

Alberta Life and Accident Insurance Company, Limited, with head office at Calgary, has been in business since 1911. It operates under Provincial charter and license, and not under Dominion charter and registry. It has a deposit with the Alberta Government of securities of the par and book value of \$13,000, and market value of \$8,315, for the protection of policyholders.

Its total admitted assets at the end of 1937 were \$25,728.88, according to the annual report of the Alberta Superintendent of Insurance, while the total liabilities except capital amounted to \$7,099.35, showing a surplus as regards policyholders of \$18,629.53. As the paid up capital amounted to \$31,212.50, there was thus a deficit or impairment of capital of \$12,582.97.

Its profit and loss account shows net premiums written last year of \$16,314.31, and net premiums earned of \$15,863.16. Net losses and claims incurred were \$3,029.92; commissions, \$6,953.31; salaries, fees and traveling expense, \$4,206.55; taxes, \$433.12; all other expenses, \$1,593.02, making a total of \$16,215.92, and showing an underwriting loss for the year of \$352.76. Other revenue, including interest earned, amounted to \$1,635.92, while other expenditure, being decrease in market value of investments, was \$3,727.54, making the net loss for the year, \$2,444.38. It will be seen that of the total outgo under the head of claims and expenses, \$16,215.92, only \$3,029.92 went to policyholders. I would not advise insuring with this company.



LONGSHIPS LIGHTHOUSE, mariners' friend and lonely sentinel, flashes a constant warning against the rocks amongst which it stands. Less than two miles west of Land's End off the Cornish coast, and 112 feet above sea level, it is the "silent policeman" of one of the most rugged stretches of Britain's rocky coast line.

A LOWER LEVEL FOR STERLING?

Deterioration in Balance of Empire Payments—Prospects for U.S. Trade Considered Better Than Those of U.K.

BY GILBERT C. LAYTON

Saturday Night's Financial Correspondent in London

THE analysis of the direction of Great Britain's overseas trade made by the Board of Trade in the July returns does something to explain the weakness of sterling against the dollar. The British adverse balance vis-à-vis the United States was no less than £51.3 million in the first half of the current year, compared with £23.9 million in the corresponding period last year. By itself this fall would account for a considerable depression of the sterling-dollar rate, but it cannot in fact be considered by itself.

The relation of currencies towards each other in the foreign-exchange market is broadly determined by two factors, the economic one and the psychological one. So far as the former is concerned it has to be remembered that the apparent increase in the adverse balance really exaggerates the trend of the balance of payments, since it does not include the tourist expenditure in Great Britain is a major item. Another point is that, of the decline, no less than £16.5 million is accounted for by the increase in imports (against a £10.9 million fall in exports). This year British purchases of grain and flour amounted to £10.9 million, and this may be considered a non-recurring item, since such purchases normally come from other sources. On the trading position alone, therefore, there does not appear to be any full justification for the severe fall in sterling.

The real immediate trouble is psychological. The market fears that the dollar and sterling will be

brought into harmony at a substantially lower sterling value. Estimates range from 4.50 to 4.86. The existence of the Tripartite Agreement has done nothing to deter these rumors, since the elasticity of this pact has already been shown, and since the devaluation of sterling is considered likely to be accompanied by a similar reduction of the franc.

The main reason for fears regarding sterling is the deterioration in the balance of payments, not only of Great Britain but of the British Empire as a whole. A secondary influence is the widely-held belief that American trade prospects are better than those in Great Britain, so that it is presumed that the trade position will develop in her favor. As an expression of these beliefs, London is no longer regarded as the safest home for "funk" money, and the consequent "sentimental" outward flow of gold has been added to gold shipments on trade account and the use of the metal by the Exchange Fund to reduce fluctuations to undermine further the stability of sterling.

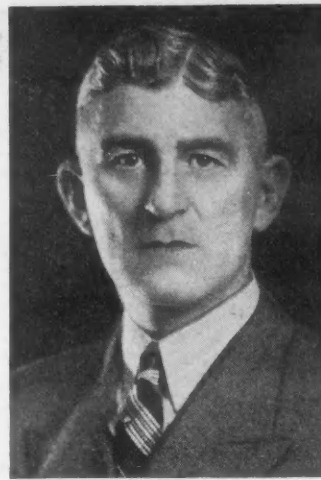
WITH the Anglo-American trade pact in its final stages it is natural that sterling and the dollar should come up for review. The point at issue here is that the Pact is likely, either directly or by implication, to fix the relationship between the currencies. For any adjustment of trade relationships which did not rest upon the assumption of stable exchanges would be susceptible of stultification by any subsequent movement of the exchanges. The United States, it may be presumed, will not

countenance the possibility of further declines in sterling to the degree which would confer a real advantage to British exports.

For this reason, it is not impossible that the trade pact will confer either *de facto* or *de jure* stabilization upon the rate. It would, however, be rash to assume that any such stabilization would put the rate below 4.86, for that would be to prejudice American exporters.

The franc is concerned in the whole matter, and its position is difficult enough. Daladier has disappointed the French people, and Herr Hitler is living up to their expectations. Politically, despite the assurance that aggressive action in Europe lies far in the future, the franc is insecure, as the recent flight from it showed. Economically, despite announcements of a balanced budget, the country in general believes that the Daladier limit of 179 may not prove wide enough. And this belief is in itself enough to depress the currency to the danger level.

From all appearances it seems that the Tripartite Agreement will undergo a modification. The change in the relationships between the dollar, sterling and the franc which present conditions justify would not be so great as the disorders of the foreign-exchange market and the gossip of dealers suggest, however. Sterling would appear to be about "right" at 4.86 to the dollar, and nothing save severe political trouble should disturb the 179 franc limit within which the French currency is certainly entitled to remain by the economic factors.



MORRIS J. McHENRY, who has been appointed to the newly created position of Director of Sales Promotion under the Ontario Hydro-Electric Power Commission. Mr. McHenry since 1930 has been District Manager in Toronto for the Canadian General Electric Company, and is Past President of the Association of Municipal Electric Utilities.

He devotes some time to the concentration of power. He says: "Some attention should certainly be given to this question; but (and here he puts forward a pertinent comment) concentration of power should not be confused with concentration of property or ownership. By the time that it was discovered that 100,000 individuals owned a considerable proportion of the national income, it would also be discovered that most of these people have little to say about what was being done." Going on to list the most obvious methods of control, he concludes by saying: "I have observed that concentration of power is more likely to come from unity of interest than from any legal device. This seems almost beyond legal control. We cannot prevent men whose interests are about the same, and whose minds run along similar lines, from doing about the same thing at the same time."

When he arrives at the discussion of political controls by means of statutes or regulations, he has this to say, and remember Mr. Berle is a New Dealer: "But, unless very careful standards were laid down, this mechanism (the licensing of corporations) would result merely in replacing a more or less responsible management control with a more or less responsible political control..." "The possibility of recapture or perversion of an agency like the Securities and Exchange Commission gives pause for thought."

IN CONCLUSION, Mr. Berle points out that legislating competition simply does not work out. "The unit which has the greatest number of governmental privileges, plus the greatest access to the capital markets, and the best access to natural resources and outlets, will eventually either monopolize or dominate the field. It would probably be more realistic to assist competition rather than to try to legislate the large business units out of existence." Finally, he offers a variety of expedients from a political standpoint that might work.

1. Capital for Small Business. "A real system of capital credit banks is plainly needed—a system which would have to be backed by a capital reserve bank. Until this is done, it is idle to scold Wall Street. The latter is doing all that can be expected with the present machinery."

2. Corporate Profit Tax. "The high tax on undistributed corporate profits though it retards the growth of existing corporations, gives them a perpetual franchise not only to stay large but to be the only large corporations in existence. No small business can grow up to a point where it can give its large competitors a real battle. This tax therefore clearly tends to destroy competition."

3. Technical Improvements. "It is easily conceivable that equality of access to all technical improvements might be granted on standard terms. Every invention should be made available to everyone who desires to use it provided the same royalty is paid. The purpose of the patent law was to encourage invention. Nevertheless against this must be weighed the fact that the exclusive licensee need fear no competition for a considerable period; also that much, if not most invention is made in corporation research laboratories."

4. Non Competitive Field. There are fields in which competition does not work out. Here the real choice is between regulated monopoly and government ownership. Where the products are standard and where the inefficiencies of government ownership are not materially greater than the inefficiencies of monopoly, and where the greater actual use can be developed from public ownership, then the latter is preferable.

CONTROL BY REGULATION

"Regulation is always inherently dangerous. It is often unsound to have Government boards making regulations without assuming responsibility for the results. The decay of the Inter-State Commerce Commission is an admirable example. Also there is always a possibility that at some stage the regulation will be used for purposes which are either corrupt, political or doctrinaire." He indicates the fields in detail, in which some sort of cartelization appears to be necessary and he winds up by saying "My feeling is that the constructive side of the report will need to develop the areas in which all control forms—competition, regulation and direct production—are used. There is no reason for assuming that any of these is the full answer for all industries, for any one industry, or for all localities."

Financial Editor, Saturday Night.

I enjoy SATURDAY NIGHT very much but the Financial Section is my favorite. It is not only interesting but thrilling.

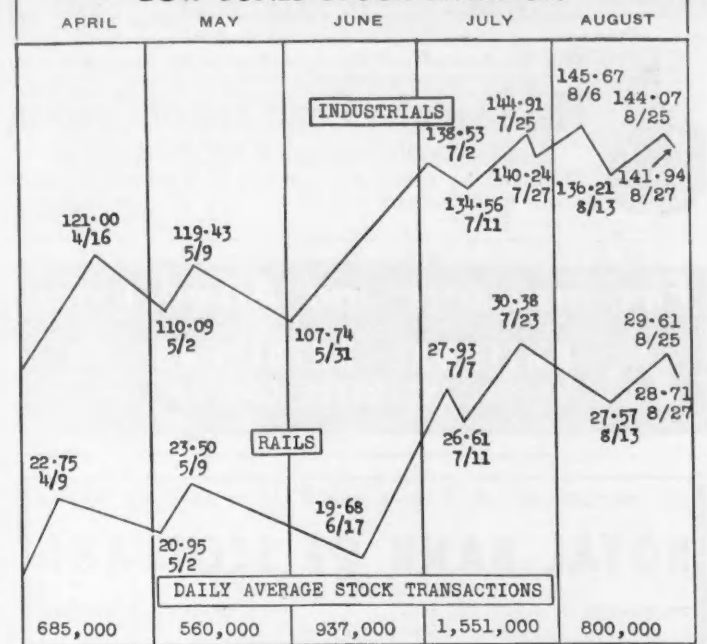
—M. F., Toronto, Ont.

BUSINESS AND MARKET FORECAST

(Continued from Page 17)

May 31. A 3% correction of the advance from May 31 to July 25, as pointed out in earlier of our Forecasts, would carry this average back to 132; a 5% cancellation, back to 122. Over the past five weeks of irregularity the market has had ample opportunity to effect such cancellation but has refused to do so. This suggests that correction, unless it soon gets sharply underway, is not to come at this level but that the market will push further upward before running into an important cancellation of the advance. If such is to prove the case, it will be signalled by a close in both the Dow-Jones rail and industrial averages at or above 31.39 and 146.68, such figures representing decisive penetration by these averages of their recent rally peaks. In the event of such confirmation by the averages we would tentatively estimate the objective of the advance at 155/160 on the industrial average and would further assume that at the culmination of such advance the market would then be subjected to a substantial correction of the entire advance from May 31.

DOW JONES STOCK AVERAGES



THE DEPOSITION OF MR. BERLE

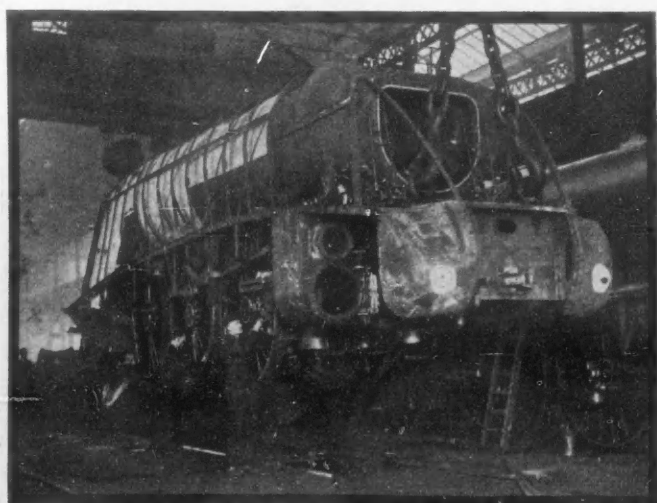
Memorandum by U.S. Assistant Secretary of State Shocks New Dealers and Treads on Toes of Conservatives

BY HARUSPEX

CANADA had a Price Spreads Commission which dealt quite extensively with the sins of omission and commission of big business. The United States government has just appointed a somewhat similar group naming it a Monopoly Committee which is now going into action and which, because of pending Congressional and Senatorial elections, may once more use business as a whipping boy.

The Chairman of this Monopoly Committee is Senator O'Mahoney. He is also sponsor of a Federal licensing bill whereby it is proposed that practically all American corporations would be regulated in considerable detail by the federal government. One could only guess as to how many extra government employees would be required, but no guess is needed as to how much this political patronage would mean to the politicians.

Senator O'Mahoney and his Committee, some political propagandists say, are not going to be too tough on business, and one of the senator's first acts was to ask A. A. Berle, Jr., one of the New Deal's up-and-coming young men, who is Assistant Secretary of State, to submit a private memorandum which would tend to help the Committee in its deliberations. This confidential document has become public and Edward H. Collins, associate financial editor of the New York Herald Tribune, says: "It is a rather unflattering commentary on our times that a member of the Administration can create something of a sensation by the simple process of stating what he thinks should and should not be done about business and industry, and doing so without any particular effort to accommodate his views to those of his official associates. Yet that is what happened when a private memorandum prepared by A. A. Berle Jr. became public property." The paper commends itself as a document of genuinely outstanding importance. It is authoritative, it is entirely open-minded, and it is without the slightest tinge of politics." Because so much of what Mr. Berle has to say is of interest to Canadians, it is here condensed and quoted.



PUTTING IT ON ITS "FEET". Lifting one of the new streamlined locomotives under construction at the Doncaster, England, works, after it has been wheeled. One of 121 locomotives now being built, it is of the Silver Jubilee type, is expected to cut one and a quarter hours off the London-Leeds-Bradford run.

GENERAL OBJECTIVES

"The investigation of business organization and practices should be essentially a search to find an organization of business that actually works. The economic organization may be roughly tested by the manner in which it answers these questions: 1. Does it provide an adequate supply of goods, as tested by the normal market? As tested by apparent needs?

2. Does it provide a maximum of people with an opportunity to make a living—"a living" being conceived as a condition under which people can live and maintain families and essentially a secure in the economic system and end this side of the relief line or the poorhouse?

3. Does it accomplish this process with due regard for the liberty and self-development of the individual?"

Mr. Berle, Jr., goes on to say, and here his criticism is just as valid for Canada as for the U.S.A., that all previous investigations have commenced with a set of preconceptions, and he goes on to note a few of them.

SMALL BUSINESS AND COMPETITION

"There's a tendency to idealize the early 19th century and to assume that small business and the prices it charged were the result of competition. There is little foundation for this. The village blacksmith, the village grocery store, and the village grist mill were all monopolies. Until the advent of the automobile they all charged conventional or "administered" prices. The theory that prices were adjusted by competition under the old small scale production in towns never was generally true, "despite some nostalgic reminiscences that are indulged in today."

"Such competition as there has been, curiously enough has come from large scale enterprises, mail order houses and later, chain stores."

IS SMALL BUSINESS BENEVOLENT?

"There has been widespread competition between small units in large centres; but the benefits of this can be over-emphasized. Actually high speed competition units are as likely as not to produce conditions that are

undesirable, if not cruel. It is by no means clear that the existence of a large number of half starved contracting garment shop owners (usually laborers who try to go it independently) may not be only slightly less anti-social than the old sweatshops."

"The principal advantage of small business lay in the fact that public opinion, social pressure, and the like, could be brought to bear more easily and more effectively."

EFFICIENCY OF SIZE

"There are two distinct preconceptions about size which cancel each other. One is that large scale enterprise is more efficient; the other is that it is less efficient as it grows larger. There's no reason for indulging in either of these preconceptions. The whole thing depends in the last analysis on what we mean when we speak of "efficiency."

"Take, for example, the old fashioned farm. It is usually insisted the latter was an inefficient unit. Yet, if besides the assumed cost of production, there is taken into account continuity of employment, ability to use the energies of adolescents and of old people, ability to take care of sickness and give some scope for individual creative ability, it might prove that the old fashioned farm was one of the most efficient units known. Put differently, a highly efficient plant, according to modern ideas, may merely mean a plant which has succeeded in unloading the maximum possible amount of obligations of a community to be handled socially."

EFFICIENCY IN MEETING NEEDS

"A clear distinction ought to be made between what people want and what they need. It is a legitimate criticism of the studies such as those of Stewart Chase, that they start with not what people want, but what an impartial commentator thinks they ought to want. It is probably true that milk can be laid down at distributing stations in New York City at 7c a quart. People ought to want 7c milk and ought to be prepared to go around the corner every morning to get it. Actually, they want it delivered to their doorstep—in other words, they want 11c or 12c milk."

"It Does Not Follow That The Standard Of Living Would Diminish If People Stopped Wanting Cigarettes Or Canned Soups Or Cosmetics Or A New Car Every Two Years. Nevertheless the only practical method of handling an investigation of the industrial system today is to assume that people are entitled to want what they do want. Anything else involves trying to tell people what they ought to want, which becomes tyranny pure and simple."

MR. BERLE'S comments in the total run to about 12,000 words. They deal with such other things as short and long term credit, capital for corporations, installment buying, labor unions, control by statute and regulation, etc. He points out that "Short term credit is less an agency of production today than of distribution. An example is installment selling where the manufacturer instead of borrowing money himself uses the purchaser to borrow it." One interesting paragraph about labor unions is "It is axiomatic that a small business cannot cope with a powerful labor union. On the other hand, a large concern can meet labor demands either by passing the cost on to the consumer or by increasing mechanization."

OIL

BY T. E. KEYES

LAST week proration was again increased 5 per cent, making it 56 per cent of the field's potential. This makes three increases in the last month and means the Turner Valley field is now producing about 28,500 barrels of oil per day. This last raise, like the others, was due to the increased demand for Turner Valley crude in the prairie provinces.

Information secured from reliable sources indicates that the crude oil and refining industry is now the second largest industry in Alberta. At the present time the Turner Valley field is producing at the rate of 28,500 barrels per day on 56 per cent proration. At the average field price of \$1.24 a barrel, this represents over \$1,050,000 a month or \$12,600,000 a year. However, when this 28,500 barrels of crude is processed, it makes over 567,000 gallons of gasoline. The average price of gasoline including taxes, etc., is 30 cents a gallon in Western Canada; consequently, the 28,500 barrels of crude, when processed into gasoline, is worth \$170,000 a day on the market, or \$60,000,000 a year. Hence Turner Valley producers and refiners are receiving about 40 per cent of the total value of Alberta grain and field crops, which last year was approximately \$155,000,000.00.

W. S. Heron, President of Okalta Oils Limited, states that the immediate completion of Okalta No. 6 depends upon whether lease holders in that area, particularly Calgary and Edmonton Corporation, will put up their share of what is known as dry hole money to prove the area. If these leaseholders—who would benefit equally as much as Okalta—refuse to put any money to prove their acreage, then Okalta will move its rotary rig from No. 6 to No. 7 well which was drilled by standard tools to 3,000 feet, and in the meantime, Okalta No. 6 will be left in abeyance.

It is expected the Conservation Board will announce the new potentials of both crude and naphtha wells by the time this issue reaches you.

The Franco Oils No. 2 well, located on the Unity Structure, near Saskatoon, is drilling at 2,035 feet. This well encountered ten-foot oil sand at 2,003 feet. It is expected the main producing horizon will be reached at around 2,150 feet.

The Royallite No. 32 well, recently completed and located south of the Highway River, is unofficially reported to be in the 2,000 barrels class. This well extends the producing area of the southern end of the Turner Valley field around a half a mile.

Last week saw several Eastern Canadian financial men visiting the Turner Valley field. Among them was H. S. Spicer of Hamilton, who is without doubt one of the best informed individuals in Canada on the western oil situation. Two others were R. H. Dean, an executive officer of the Nesbitt Thomson & Co. Ltd., investment house, whose head office is in Montreal, and Stuart Mason, manager of the London, England, office of this firm. These men told me they interviewed Dr. Hume as they wanted an impartial opinion on the oil situation. They asked me to extend publicly to Dr. Hume and the Department of Geology at Ottawa, their appreciation of the service rendered by this department to the public through their obliging and efficient officer, Dr. Hume.

There are now five wells drilling in the time or producing horizon, namely, Royallite No. 33 at 7,397 feet; Sunset No. 2 at 7,035 feet; Commoll No.

MINE MAKERS OF CANADA



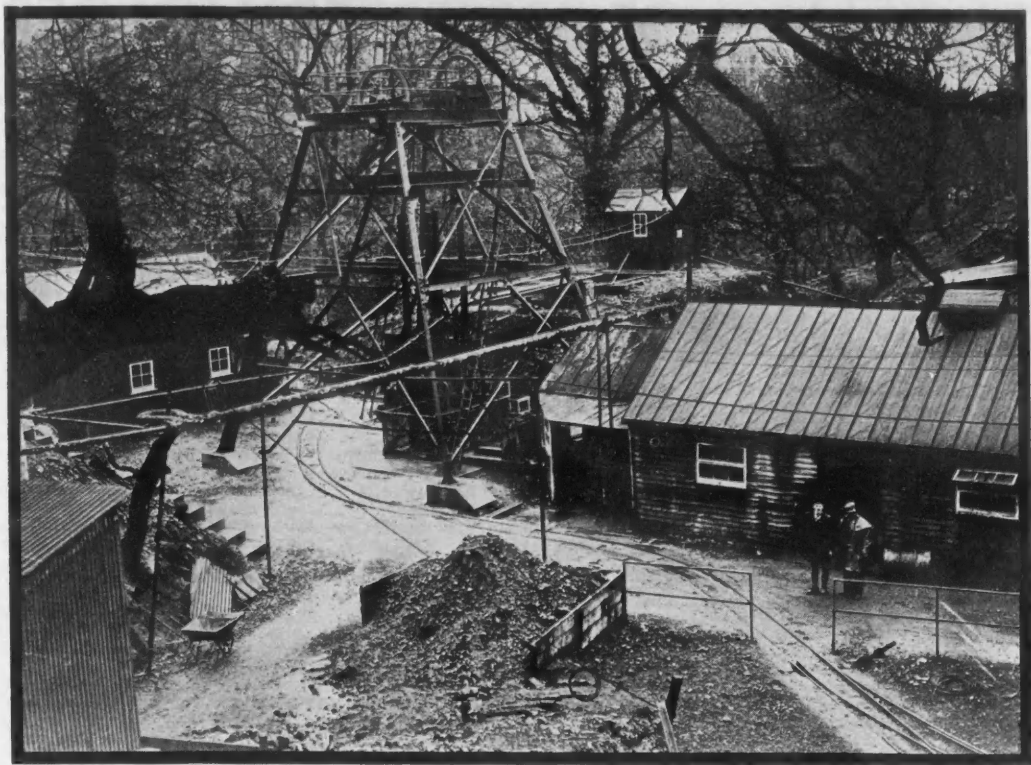
JOHN P. MILLENBACH, B.Sc., E.M., General Superintendent, Canadian Malartic Gold Mines Ltd., is a graduate of the Michigan School of Mines, where he was awarded the degree of B.Sc. and E.M. and has wide and varied experience in the mining fields of the United States and Canada. Mr. Millenbach's mining career began with the Night Hawk Peninsular Mines in 1925 as Engineer. He acted in the same capacity for the March Gold Mines in 1926 and with the San Antonio Mines in 1927. He accepted the position of Superintendent of Mining with Eldorado Gold Mines in 1928 and as Engineer with the Abana Mines and McVittie-Graham Mines in 1929. The following year, 1930, acted as Superintendent of the Central Patricia Gold Mines and in 1931 acted in the same capacity with the Casey Summit Gold Mines. He was stop boss for Noranda Mines in 1932 and in that year Joined Ventures Limited organization as Engineer of the Beattie Gold Mines and was transferred in August of 1934 to the Canadian Malartic Gold Mines and appointed General Superintendent, which position he now retains. Mr. Millenbach is a member of the Canadian Institute of Mining and Metallurgy.

—Photo by "Who's Who in Canada."

2 at 7,546 feet; York at 7,074 feet; and Consolidated at the top of the lime at 7,514 feet. The depths of other wells drilling are as follows:—Royallite No. 34 at 3,405 feet; No. 35 at 1,467 feet; Mayland No. 3 at 6,316 feet; West Turner No. 3 at 5,175 feet; Royallite Canadian No. 2 at 4,860 feet; Command at 4,853 feet; Anglo No. 1 at 5,793 feet; Anglo No. 2 at 6,280 feet; Anglo No. 3 at 3,192 feet; Davies No. 4 at 5,710 feet; Home No. 2 at 5,776 feet; Brown No. 5 at 6,133 feet; Producers Crude at 5,002 feet; Richwell at 5,443 feet; and D. & D. at 230 feet.

Vulcan Brown, the second largest producer in the field, was acidized last week and flowed at the rate of 200 barrels an hour on its open flow test. It is now being tested by the Government, using the new method, and, while no figures are available, it is expected this well will show a considerable increase in production.

Davies No. 1 well, recently acidized, just completed its government test. The open flow was 1,481 barrels, its potential is 987 barrels, and allowable 554 barrels. Previous to acid treatment, its allowable was 319 barrels on 48 per cent proration.



THRIVING ON GOLD. Britain has one gold mine, and this is it. Located at Pumpsaint, Carmarthenshire, Britain's only gold mine is doing so well that it has been equipped with a plant capable of handling 40,000 tons of ore per annum, recently produced 100 ounces of gold in three weeks, expects to do still better in the future.

INVESTIGATING COLLECTIVISM

Will Mr. Dies Confine His Examination to the Alleged Communists and Fascists, or Tackle Broader Field?

BY ISABEL PATERSON

UNLESS the Congressional House Committee, under Chairman Dies, which is now "investigating un-American activities," makes some strict definitions of terms and sticks to them rigidly, it will accomplish nothing but a professional performance of the popular amateur game of label-pasting. The only way sense can be imparted to such an inquiry is by first discovering what the various labels signify, in practical terms. It is charged that Communists and Fascists severally are seeking to destroy the American form of government and its accompanying economic structure, and substitute the Communist or Fascist form. Of course they must have that objective; the intention is in the deed. Such designs would be legal or illegal according to the means employed to effect them. Violent means are necessarily illegal. But the inquiry presumably hinges on whether or not violent means are advocated, though not yet used, by any group of persons. That is a very tricky question, put by a dangerous law. And it is the more dangerous because it distracts attention from the real issue; it could be used as a smoke screen in partisan manoeuvres to achieve what it professes to denounce.

IT CANNOT be supposed that Americans in general want either Communism or Fascism. If they did they could vote for avowed Communist or Fascist candidates. The Communist vote is a negligible percentage. And nobody cares to run as a Fascist at

all. Evidently these objectives are repugnant to the American people. But what if they are attained by a gradual and ostensibly legal process under a misleading traditional label? They will smell no sweeter.

Communism and Fascism are merely different labels for collectivism, for government ownership and control, and the extinction of individual rights, including private property. The two groups are at enmity for the perfectly natural reason that they are both after the same power position. But collectivism can be imposed and private rights abolished by any group wearing any label. Property can be confiscated by exorbitant taxation and currency depreciation. Private enterprise can be strangled under the pretext of regulation, by denying the right to do business without license and by political price fixing, the two measures in combination thus creating monopoly cartels. The joint process can even be called anti-monopoly legislation.

NOW what is American? Certainly if Americans chose to give themselves a czar, with autocratic powers, the set-up would thus become American. But to have any distinctive meaning, the term must signify those economic and political principles which are vital and peculiar to the historic American system.

Did that system contemplate unlimited government power? Emphatically not; its prime purpose was the strict limitation, the minimum, of

such power.

Was that system posited on collectivism? Can it accommodate or survive collectivism?

To the contrary, the United States was the first nation in history explicitly to assert and establish unconditional personal title to property—the ultimate form of private property. I mean individual property right, not group property, which in family holding was the feudal form.

AMERICANS have enjoyed that right for so long, very few of them might recognize where it is defined in American basic law. But it is there. Can Representative Dies cite this clause? If he cannot, he does not know the charter by virtue of which he holds office and pursues his present inquiry.

Now when he gets through investigating collectivism and their un-American activities in the labor unions, the schools and colleges, the Army, the League for Peace and Democracy, or whatever it is by the time this goes to press, the Democratic party, Hollywood, and miscellaneous, will Chairman Dies turn his attention to his legislative colleagues, and check up how far they have advanced the common purpose of Communism and Fascism—which is government ownership and control—by their own measures? That is precisely where the collectivists have aimed to get results. And haven't they?

Never mind the labels; what does the package contain?

EUROPE'S WAR PREPARATIONS

Germany Consuming Nervous and Psychological Reserves in Preparing for War, as Well as Economic Resources

BY WALTER LIPPMANN

THOUGH there are circumstantial reports to the contrary, it would seem reasonably certain that Hitler has not yet reached a final decision about his course in Czechoslovakia. He has still to choose. He can have the moral satisfaction of very large concessions to the Sudeten Germans, concessions which would make them the most privileged national minority in Europe. If he accepts these concessions, there will be no war for the present. He can, on the other hand, order the Sudeten Germans to demand more than the Czechoslovak Republic could conceivably grant and incite an uprising which the Czechs would suppress. He would then intervene. The Czechs would fight. The French and the British would support the Czechs.

The choice between these two courses is at bottom a problem in military science. The party in Germany which is urging him to precipitate the crisis holds that a quick decision can be reached in Central Europe by a violent and sudden attack, and that the Czechs would be conquered before France, Britain and Russia could do anything about it. The other party, which consists, one may be certain, of the older professional soldiers, the diplomats and the industrialists, opposes the coup on the ground that even against Czechoslovakia a quick knockout blow is impossible because the military defensive is so immeasurably stronger than the offensive, and because in a long war the position of Germany is hopeless.

AS REGARDS the near future in Europe, and the question of peace or war, the conflict between these two military doctrines is of ever so much greater practical importance than all the ideologies of fascism, national socialism and communism.

The political ideologies are fed to the masses. But the directing heads of governments and their real advisers have their attention fixed upon the two opposing military theories.

It is clear, I think, that the believers in the possibility of the knockout blow are on the whole the armchair strategists, the cranks, and the writers of sensational popular books about the next war. They include all the people who believe that London, Paris, the British Empire, and what not can be destroyed in a week by air bombardment, by submarines, by tanks, by poison gas. They include the crowds who are always disposed to believe that the newest invention is as irresistible as it is spectacular. And they include, alas, the political agitators who want to believe that they possess the means, that they have found the short cut, to the grandiose victory about which they make their orations.

IN THE other school are to be found virtually all the experienced soldiers, and the serious students of military science. This is the case not merely in Britain and France but in Germany and in Italy as well. Their view is that now, as in the past, great wars—that is, wars for European supremacy—must be long wars, and that great wars are not won by victories in the field but by exhaustion.

London and Paris are acting on this military philosophy. For this reason their military arrangements are essentially defensive. They accept the military doctrine that the offensive uses up about three times the number of men and at least three times the quantity of material that the defensive requires. Therefore, they have concluded that the correct military policy is to let the aggressor wear himself out in the attack, and

to counter-attack only when his reserves are spent.

It is on this principle that the British and the French are proceeding. And, therefore, much to the dismay of some of the more ardent and excited spirits among them, they have decided not to imitate Germany and Italy by adopting a total militarism at this time. They are preparing carefully a first line of defense against the first shock of the attack—the fleet, the Maginot line, air defenses for the vital spots in London and Paris. Above all they are training men.

But they are not turning the whole nation into a military camp with total conscription of labor and property. They are merely making the plans for doing that. For the rest they are trying to keep industry going in a normal way, and instead of asking their peoples to make the sacrifices now that war would require, they prefer to have the people take it fairly easy, to keep themselves rested and well-fed, to enjoy their holidays and not to become overtired by excessive excitement and nervous strain.

THEY can afford to do this because they have no intention of attacking Germany and Italy, and they are confident that if they are attacked, it will not be battles but the long campaign that will decide the issue. They look upon the preparations of the fascist states as based on an unsound military philosophy, and therefore certain to be disastrous. For the preparations are so feverish and require such sacrifices before the army and the people confront the enemy that these nations are tiring themselves out before they start to fight.

They are preparing an impressive military machine by using up not



R. M. FIRTH, who has been appointed New Zealand Government Commissioner for Canada and the United States with headquarters in Toronto, following the retirement of J. W. Collins.

only their economic reserves but the nervous and psychological reserves of the people. Life is exhausting in a totalitarian regime. No one is ever allowed to relax. These nations are like an athlete who exercises furiously in the gymnasium before entering the race. The French and British, on the contrary, think the race will not be a sprint but a marathon, and that the problem is not how to get off to a quick start but how to keep fit for a long and sustained effort.

IN THE diplomatic exchanges which go on between the two camps into which Europe is divided, there is some discussion of specific issues, such as intervention in Spain and the claims of the Sudeten Germans. But the underlying discussion, and the one which will determine the outcome, is whether a war would be decided by a knockout blow or by exhaustion.

The matter is being discussed in private with a frankness which is, to the outsider who learns of it, astonishing. French and British soldiers discuss it with German soldiers. Diplomats discuss it with diplomats. It is a momentous discussion. For there will be peace only if the allies outside Germany and the professional soldiers and diplomats within Germany persuade Hitler that the mastery of Central Europe cannot be won by a sudden, violent, but short attack.

MINES

(Continued from Page 19)

prospect of similar deposits. This is a handicap and militates against raising capital for exploration and development.

Hollinger Consolidated has paid over \$91,000,000 in dividends since 1912.

Dividends paid by Canadian companies during August reached approximately \$6,000,000. The mining companies played a big part, with

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Hollinger and International Nickel making the largest disbursements. Over \$176,000,000 was paid by Canadian companies during the first eight months of this year.

Ontario gold mines produced \$8,894,877 in gold during July for a new record, a gain of 18 per cent. over the corresponding month of 1937.

Sherritt-Gordon has over 4,500,000 tons of ore, estimated to contain about 200,000,000 lbs. of copper, plus approximately \$3,000,000 in precious metals. In addition to this is an estimated 275,000,000 lbs. of zinc which is not being mined under present low price for the metal.

Granada Gold Mines has resumed operations and will make a general examination of lower levels. It is planned to extend the shaft from 1,800 to 2,100 ft. in depth and if values justify, continue to possibly 3,000 ft. There is also a proposal to sell the remaining 305,000 treasury shares, and to then proceed with transfer of the property to Granada Gold Mines (Quebec), Ltd., a new 5,000,000 share company, then exchange stock on a share for share basis, leaving the new company with just 1,500,000 shares outstanding and with 3,500,000 shares in the treasury.

WE DISCUSS THIS WEEK

Under this heading, SATURDAY NIGHT will analyse each week, at somewhat greater length than is possible in Gold & Dross, a security which it believes to hold especial interest for investors.

FORD OF CANADA

AT CURRENT prices of 21, the "A" stock of Ford of Canada looks like an attractive purchase either as a hold for income or for capital appreciation. The stock has recorded a high of 21 1/2, with a low of 14 1/2, to date, as compared with a high of 29 1/2 and a low of 14 1/2 in 1937. In comparison to its two big rivals—General Motors and Chrysler—Ford of Canada's sales have held well and, since the company has added importantly to manufacturing facilities in recent years, it is fully equipped to take advantage of the general improvement now being promised in the industry. Yet the price of the stock has risen only 6 1/2 points—44.9 per cent.—from the low of the year while the price of General Motors has doubled and Chrysler has more than doubled. During each of the past two years the \$1 dividend on the Ford "A" stock has been covered more than twice (earnings were \$2.27 in 1937, \$2.02 per share in 1936) and, while unit sales for the first six months of 1938 have shown a falling off of 10 per cent. from the total for the first half of 1937, actual dollar volume is reported to be only 5 per cent. below the 1937 figure.

The outlook for the automobile industry, in Canada at least, is improving. While the United States is slowly recovering from one of the sharpest recessions in its history that materially lowered consumers' buying power, Canada has escaped relatively un-

scathed and is looking forward to increased prosperity, encouraged by greatly improved Western crops. Moreover, reliable reports state that not only will 1939 automobile models be importantly different from 1938 offerings, but prices will be lower. If styles are very noticeably altered and prices are lowered, the combination should provide incentive for potential buyers to return to the market. Since dealers' stocks are low, there should be a burst of activity in the automobile industry over the latter part of 1938. And, as pointed out above, Ford of Canada is well situated to take advantage of improving conditions in its industry.

The greatest proportion of Canadian automobile manufacture represents the efforts of either branches or affiliates of American concerns. As in the United States, the bulk of the business done in Canada is in the lower price brackets. Ford of Canada and the Canadian divisions of General Motors and Chrysler are the Big Three in the Canadian automobile industry, monopolizing about nine-tenths of the total volume. Far more important to Canadian producers than to American is the export business which accounts for about one-third of the total Canadian output, since Empire preferential tariffs make it profitable for American manufacturers to establish plants in Canada despite higher production costs. Ford of Canada has exclusive rights to the manufacture and sale of Ford cars and trucks in the British Empire outside of the British Isles, and in the Dutch East Indies. "While the company produces about 40 per cent. of the cars made in Canada, well over 50 per cent. of its output is for export, and expansion of overseas operations has been reflected in increased dividends from foreign subsidiaries. Indeed, in the ten-year period from 1928 to 1937, inclusive, income from Canadian operations were less than sufficient to cover the cost of production and distribution. Net profits during that period were derived from export operations, and the payment of dividends was made possible as a result of the profits of subsidiary companies in overseas territories. The inability of domestic operations to produce a profit has been attributed officially to the drastic reduction in the purchasing power of large sections of Canadians during years of drought and depression. Since the company's foreign unit sales have fallen off only 11 per cent. for the first six months of the current year, with a 3 per cent. decline in dollar volume, a strengthening of the Canadian economic structure should result in a marked increase in profits.

Notwithstanding expenditures of about \$10,000,000 for expansion and modernization, the company's financial position is excellent. In the automobile industry as a whole, substantial profits tend to alternate with losses as a result of a widely fluctuating volume of sales and periodic large expenditures attending major changes in outdated models. Ford of Canada is no exception to this general rule. But the company is tending to narrow its earnings fluctuations and, while dividends will necessarily fluctuate with earnings, a reasonably liberal dividend policy should be maintained with no threat of a decrease in the present \$1-a-share rate for some years to come.



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DISPOSING OF CLAIMS OF PREFERRED HOLDERS

(Continued from Page 17)

long as the concern remains in the running, that is, so long as it keeps out of bankruptcy. On no other basis could such a common stock as Eastern Dairies, ranking after a preferred claim of \$140.25 per share valued in the market at \$6 a share, be traded at even the low price of \$1 per share, yet hundreds of shares have changed hands at around that price this year to date. In Hamilton United Theatres one finds a price relation that seems normal and healthy. The preferred stock is only \$16.50 per share in arrears, and is actually earning and paying some dividends now. A speculative value of \$1 for the common stock is reasonable under these circumstances.

But some of the others defy all logic. The British Columbia Pulp and Paper preferred stock is entitled to 7 per cent, cumulative, and is \$49 per share in arrears. The market value for this \$149 claim is only about \$54, yet the same company's common stock is quoted at \$16 per share, or at nearly one-third as much as a preferred share! Canadian Vickers must settle for nearly nine years of seven per cent dividends on its preferred stock and of course must also resume further dividends on this issue, before it can pay a nickel on the common, and yet the preferred claim can be bought now for about \$42 per share while the common stock is much the more active at the highly speculative level of \$9 per share. Prices for common stocks of Hamilton Bridge, Massey-Harris, and De Havilland Aircraft are likewise far above nominal levels, in apparent disregard for the heavy preferred claims to be disposed of.

PERHAPS "disposed of" is right. That seems to be the principle behind most of the capital reorganizations in which groups of preferred holders do not take an active hand. When Asbestos Corporation was reorganized in 1932, for each ten shares of the preference stock there was given 1½ shares of new common, and for each fifty shares of the old common stock there was given 1½ shares of new common, which worked out at 15 per cent for the old preference and 2.5 per cent for the old common in new stock. The position of the preferred in that deal was weakened by the fact that its dividend had been non-cumulative, but the same preferred stock had, in some earlier years, sold regularly at over \$90.

Now that the company is again doing well, the new common stock is worth about \$85 a share, which means that for each old preference share there is now a value of \$12.75, and for each share of old common stock there is now a value of \$13.13; obviously, anyone who bought the old common stock cheaply enough has come out all right, while an investor in the preferred has never had a chance, because of the terms of the reorganization.

In Price Bros., reorganized just about one year ago, each old preference share was exchanged for one new preferred share and 1¼ new common shares, while each old common share was exchanged for one new common share. At present prices of \$4 for the new preferred and \$19 for the new common, the values are about \$90 for the old preferred and \$19 for the new common, which might not be severely criticized, but which if anything does favor the common stock.

Preferred shareholders of National

Sewer Pipe Company dealt themselves what looks like a joker when, last February, they refused an offer in cash and debentures, worth about \$21 in all, for their stock which represented a total claim of about \$49 per share. The stock at that time was worth only about \$14 per share in the market, and today it is still worth only \$14 per share, and perhaps difficult to sell at that price. Nevertheless, the investors, who on that occasion were well organized and represented, preferred to trust to the future rather than vote themselves into a sacrifice of their rights from which they could not escape later, and which would have debarré all chance of recovering the full amount of their original investment, which was \$38.50 per share.

HOLDERS of preferred stock of United Fuel Investments, Ltd., will shortly have before them a plan to dispose of their arrears and other rights in a way which also would, most likely, cut off hope of full recovery. This stock today represents a claim of \$137.50 per share, made up of \$100 par value and \$37.50 arrears. The proposal, it is reported, will be for exchange of each of these old shares into one new \$50 share with 6 per cent cumulative dividend (the same rate as on the old), and one new \$25 share with non-cumulative dividend. Each share of present common stock would receive 9/10 share of new common stock. After paying cumulative dividends on the proposed Class A preference stock, any further dividends would be divided between the Class B preference and the common stock. Therefore, studying rights rather than names, the preferred investor would be reducing his priority to exactly half its present figure; out of any further dividends, the common stock would have a cut right

from the start! He would have little chance of ever recovering the \$100 per share at which United Fuel Investments preferred was sold back in 1928.

The position of the common stock, on the other hand, would be greatly enhanced. The company's financial statement for the year ended March last showed net profits of \$537,101 after fixed charges. Six per cent dividends on the present \$9,000,000 of preferred stock would, if paid in full, take all of this. But 6 per cent on \$4,500,000 would take only \$270,000, while 90,000 shares of new common stock would step right up along side of 45,000 shares of new B preferred stock for division of the juicy plum which would be released for the benefit of these junior securities. Practically all of the existing 100,000 shares of common stock of United Fuel are owned by Union Gas Company of Canada, and they appear in the latter's latest balance sheet at a valuation of \$1,227,840, or about \$12 per share. Holders of the preferred may well think hard before they surrender half their claim for something to rank alongside that old common stock, and before they throw all the claim for arrears back into the pot as well. Perhaps the United Fuel reorganization plan will be made more attractive before it is actually sent out to the shareholders.

SUCH extreme proposals for the preservation and even aggrandisement of equities, by making preferred holders stand all or most of the accumulated losses of the depression years, throw the position of preferred stocks into the limelight, and demand that, if they are to be any good at all, they be treated in reorganizations as justly as they have to be treated in payment of dividends or in distribution of assets.

SOCIAL SECURITY

(Continued from Page 17)

timated that in his opinion the security of the individual, meaning the American individual, depends on the security of the whole world and, in particular, on the preservation of international trade. Mr. Hull said in that speech:

"We well know, of course, that a condition of wholesale chaos will not develop overnight; but it is clear that the present trend is in that direction and the longer this drift continues the greater becomes the danger that the whole world may be sucked into a maelstrom of unregulated and savage economic, political and military competition and conflict."

It is not enough to say that Mr. Hull was just raving at Hitler and Mussolini. Economic nationalism is a worse threat to world security than is militarism, just as a cancer is worse than a rash. And stupidly insular theories such as that underlying American social security are of the stuff on which economic nationalism feeds.

TO BE more specific, this writer believes that the prime function of government these days, insofar as "social security" is concerned, is to preserve the safety of the system. All individuals may not be preserved along with the system but the great majority would be, in a sense, whether we like to admit it or not, the survival of the individual in Germany and Italy—albeit his freedom to do this and do that, and in particular to make unlimited sums of money, has been cancelled—proves that the good of the state connotes the good, or at least the security, of the individual. And this thing does not work both ways. The good of the individual is not necessarily the good of the state. And "security," tackled from the individual up, rather than from the state down, is a fallacy.

Boiling the argument down to its applicability in the case of the American Social Security Act, and in particular to the old-age pension section of that act (which is the most contentious section), we find that the system is weakened by the heavy taxes or assessments which the government demands (at present 4% of payrolls from the employer and 1% from the employee—gradually to be increased to 6% and 3% respectively), and we arrive at the pretty logical conclusions: (1) That unemployment, which the act is supposed to alleviate, is being increased by it, as employers substitute non-taxable power drops. (2) That many employers, such as the millions of small retail merchants, contractors, and entrepreneurs of various sorts, are being forced to contribute to the security of their trades union employees who in many cases are already getting more out of the business than is the employer. And (3) that the supposedly lucky employee, who is donating only a fraction himself of what his employer is forced to donate for him, is really releasing a bird in the hand for two in the bush. For, as regards the last-mentioned conclusion, what is a dollar? The amount which an insured employee is to get when he is sixty-five is limited by law—\$85 a month is the "ceiling"—and is there any assurance that the dollar that Americans are paying in today is the same dollar that they will get out in fifteen, thirty or forty-five years from now?

MEANTIME, ignoring the larger issues, the Republicans claim that it is unfair to take money from millions of people in the guise of insurance premiums and dissipate it in order to catch votes. And the Democrats infer that the real unfairness of the Social Security Act is that only about half of the people enjoy its blessings. Mr. Roosevelt, in this connection, said in his August 15 speech: "To be truly national, a social security program must include all those who need its protection. Today many of our citizens are still excluded from old-age insurance and unemployment compensation because of the nature of their employment. This must be set aright, and it will be."

Logic favors the Republican, rather than the Democratic, argument, even if the charge of vote-catching is unwarranted. Mr. Roosevelt forgets that he has promised that nobody in the United States is to be allowed to starve.

That they have not starved, in the past three years, since social insurance started, is due, of course, not at all to the Social Security Act but to the direct relief measures of the government. And so the financial record of the scheme, so far, is not of much value. Its actual financial status, after three years, is, as a matter of fact, difficult to arrive at. Some American journals, notably *News Week*, in an August number, have contained figures of assessments, or taxes, received and benefits paid, to unemployed, the aged, the blind, and to dependent children, which seem to show that the Social Security Administration is already operating at a terrific deficit.

ONE sees, however, when one studies the Peter-to-Paul financial methods of the government, that this is not quite the case. Technically, the Funds are still quite solvent—at least the old-age fund. From the larger viewpoint though, the thing is quite a mess.

It works this way: employees and employers (in certain lines) pay in their one, two or three percent—it goes as high as six percent with the employers—to the Social Security funds, and the Congress appropriates large sums to add to the funds. The funds are invested in U.S. government securities paying 2½% or 3% (the method of investment and the rates of interest are statutory in the Social Security Act.) Roughly, \$700,000,000 has so far been paid in, by about thirty million employee-employer contributions, to the old-age fund, about \$150,000,000 to the railroad retirement fund, under which railway workers are separately insured, and about \$1,100,000,000 to the unemployment reserve fund. All these payments explain why the government has been able to go on financing its work-relief and farm-assistance programs without having to put out large new public issues of bonds. By "matching," or partly matching, individual payments, in the time-honored manner of all pension funds, governmental Peter gives to the funds while governmental Paul, by the statutory "investment in government securities" provision of the Act, takes it all back. And this writer's \$30 with it.

So far, the Social Security reserve funds have invested \$1,640,000,000 in government securities and about thirty million American residents (including aliens) have what are sort of industrial insurance accounts on the ledgers of the Social Security Administration, and a direct interest in the public debt in which the balances in the accounts are invested.

Note that only some thirty millions are insured. That is what the President was talking about when he lamented that "many of our citizens are excluded."

What does he mean—"excluded?" Isn't everybody being looked after, whether or not they are among the "fortunate" thirty million? Aren't, in fact, the people who are paying for it just, to use an inelegant but expressive term, "suckers?"

AS SOCIAL security is operating in the United States today, and as it will continue to operate for many years unless the whole scheme blows up, the writer, and a few million others, will keep on contributing 1%, 2% or 3% of his salary, as a donation to the support of people who are not in the scheme, including, incidentally, a fresh horde of governmental employees in the Social Security Administration offices. He will get a book credit—which will logically be diminishing value as the public debt grows, as it inevitably must, by billions every year, but the actual, present-value, dollars will be paid out to people who, already aged or unemployed or dependent or blind before the S.S.A. was passed, are so unfortunate as to have to take gov-

ernment relief that they have not paid for instead of government pensions that they have paid for. It was said above that the American people want social security. It might be added that more and more of them are confusing "social security" with "something for nothing." A majority of the states has embarked on an orgy of old-age pension schemes—straight charity. In the rich state of Oklahoma, some months ago, the thing became such a scandal that the federal government stopped its contributions to the state's welfare funds until the mess was cleaned up. In Colorado unearned old-age pensions as high as \$72 a month were being paid for a while, until the Santa Claus fund dried up, and in the great state of California, under the slogan "Ham and Eggs for Californians," a million signatures are said to have been obtained (200,000 would have been sufficient) to a petition for a plebiscite next November on a sort of a stamped-scrip Aberhart plan guaranteeing \$30 a week (a week, mind you!) pension for all Californians over fifty!

BUT perhaps the American desire for social security was reflected in its most inexcusable and discreditable form in the Democratic primary elections held last month in Kentucky, when Senator Alben Barkley won his renomination from Governor "Happy" Chandler. Governor Chandler promised the electorate that, if elected, he would "get more for you in six years than old Alben got you in twenty-six years" but "Old Alben" countered, and won, with: "If you want to swap all you're getting now from the federal government for a set of balanced budget books down in Washington, then vote for 'Happy' Chandler. But if you want to keep on getting what you're getting, and get some more too, then vote to keep me in the Senate."

A Mr. Angus E. Orr, writing to the editor of *Time* a few weeks ago, defined the New Deal as "a system of gardening by which the fertilizer is withheld from the corn and applied to the weeds." This is apt but a little harsh. There is much that is good in the New Deal. But there is little that is good in barefaced pandering to wretches such as Messrs Barkley and Chandler have been guilty of. And there does not seem to be much good in a system of taxation, in the guise of social security insurance, which takes from the worker and gives to the workless and further harasses a multitude of small employers, already taxed to the hilt, while hundreds of thousands of people in the country, some of them extremely affluent, completely escape income taxation and social security taxation alike, either because they are public servants (all public servants other than federal employees, from State governors down to village school-teachers, are exempt from federal taxation) or because they are living on funds invested in tax-exempt securities—of which there are about \$30 billions worth outstanding.

The status of social security in the United States remains, to put it mildly, confused.

NON-FERROUS METALS

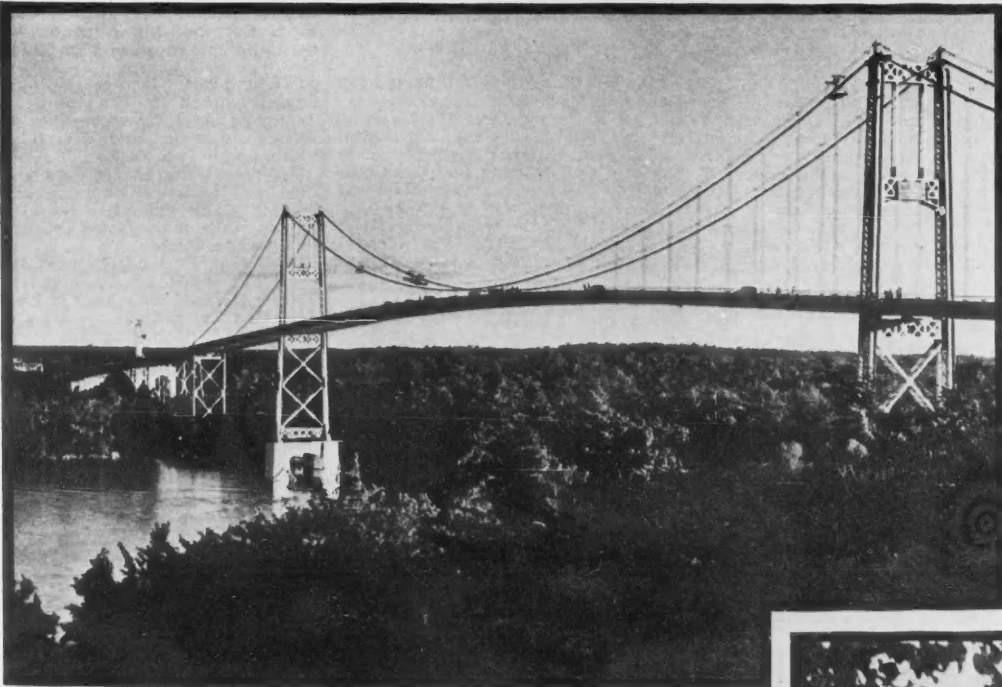
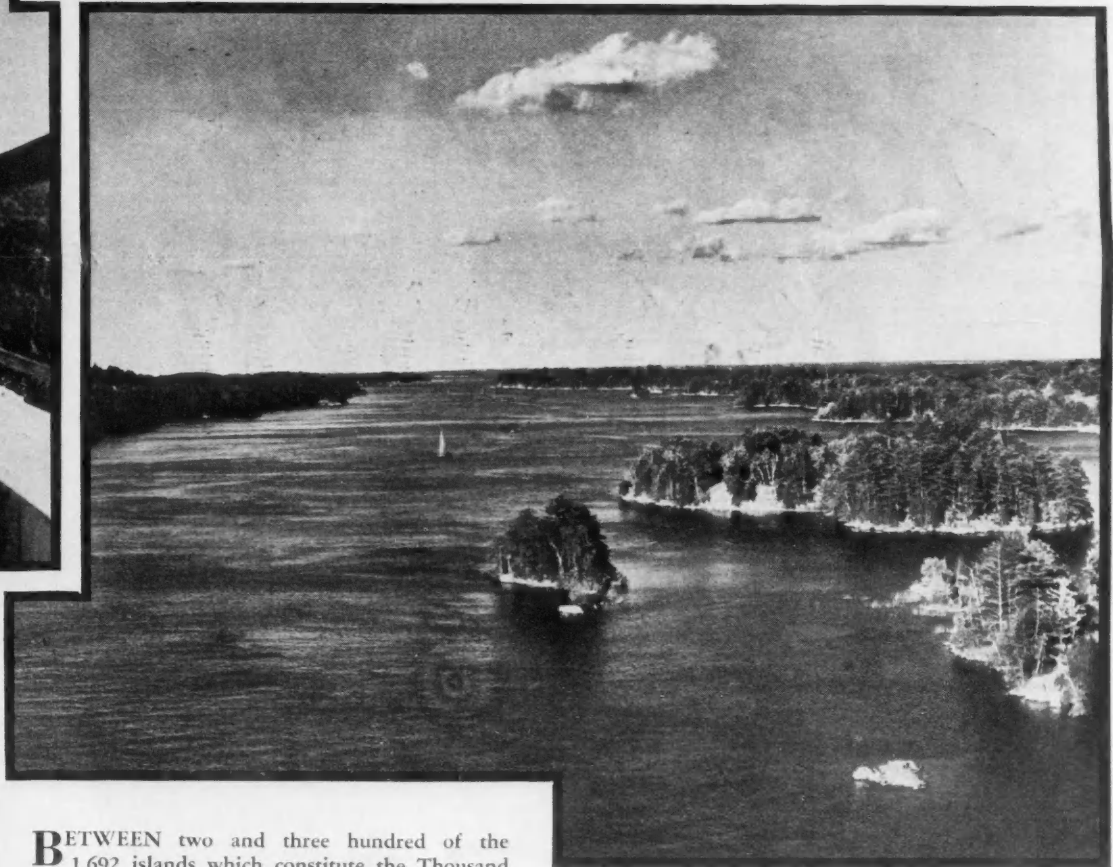
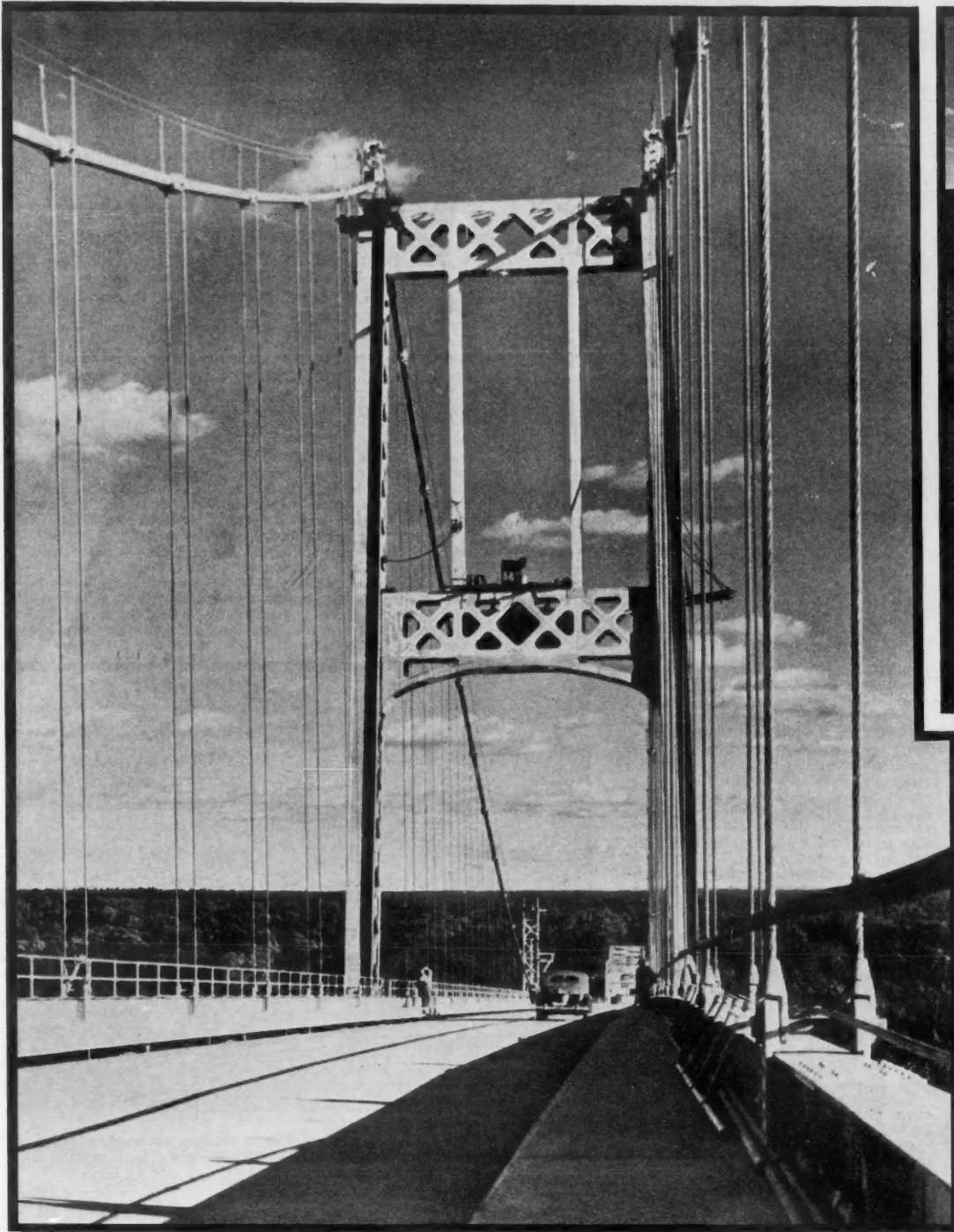
CANADA'S manufactures engaged in the working of metals fall naturally into two groups. The iron and steel group has up to the present been based on imported ore, though a project is now afoot for developing the native ores. The other branch, in which the outstanding metals are nickel, copper, lead and zinc, is founded on Canadian ore. In some of its secondary branches gold and silver are used as materials, but the refining of these metals is for the most part included in the mining industry. The non-ferrous group of manufactures embraces half a dozen distinct industries and its output has been rising rapidly in recent years. Ontario leads all the provinces in the output value of the non-ferrous group of manufactures with Quebec second and British Columbia third.

SATURDAY NIGHT

PEOPLE » TRAVEL » FASHION » HOMES » LETTERS

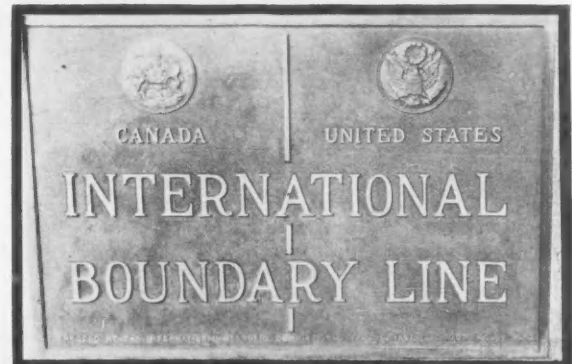
TORONTO, CANADA, SEPTEMBER 3, 1938

THE CANADIAN-AMERICAN ROAD OVER THE ISLANDS



BETWEEN two and three hundred of the 1,692 islands which constitute the Thousand Islands are said to be visible from the two high suspension spans of the Thousand Islands Bridge recently opened by Mr. King and Mr. Roosevelt. *Upper left*, the suspension towers and cables trace a design against the sky. *Upper right*, late afternoon sunlight silhouettes several islands upstream from the bridge. *Middle right*, downstream islands as seen from the Canadian suspension span. *Middle left*, the Canadian suspension span. *Lower left*, the bridge casts its shadow over several islands. *Lower right*, the extraordinarily wide new Ontario highway to the bridge.

—Photos by George W. McCracken.





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Kingsdale 1293

RURAL NOTES

BY PENELOPE WISE

LIKE people who go in for cold baths or babies or the Hay diet, I cannot understand why everyone else is not converted to my way of living, that is to say, to living in the country. I am not trying to advocate farming as a way of making a living, because I know nothing about it, except that by observation I know that it involves hard and unremitting toil, so that it seems to me that the man or woman who tries to beat down the price of agricultural products is heartless, and in an economic sense, a dangerous lunatic. But the country as a place to live offers in these sad, mad days a sane way of living, and a wide range of pleasant interests and activities. Three thousand years ago, Horace liked to escape to his small country estate from "the smoke and wealth and din of prosperous Rome." How much more reason for flight, when the prosperity has changed to the fever-chart of a depression, and the din has become something more complex and frightful than Horace ever dreamed of.

Anyway, when my car turns its nose from the highway, and the old stone house comes in sight from the top of the hill, there is a sense of tranquillity and quiet. Perhaps there is a sort of peacefulness in living in an old house, built with what William Dean Howells called "the nice and patient carpentry" of a bygone time, a house that has stood a hundred years and gives every promise of standing another hundred or so.

THERE I can forget for a while the ugliness and strenuousness of the city. It is pleasant, at this early morning hour, to hear a pheasant in the freshly ploughed field outside my window, informing his mate that the breakfast supplies are good and abundant. Perhaps it was she who had her nest in the long grass by the road this spring patiently guarding her brown eggs. She used to let us approach her and stroke her pretty head, whether from fearless-



LADY TWEEDSMUIR RETURNS TO CANADA. Bringing back news that Lord Tweedsmuir is progressing well in his rest-cure in North Wales, Lady Tweedsmuir returned to Canada last week in the Canadian Pacific liner Empress of Britain. With her and paying a first visit to Canada came her eldest daughter, Alice, the Hon. Mrs. B. F. R. Fairfax-Lucy and her husband Captain B. F. R. Fairfax-Lucy. Her Excellency declared that she was very pleased to be in Canada once more. Photographed on the bridge of the Empress of Britain approaching Quebec, Lady Tweedsmuir is seen in the centre of the group with her daughter on her left. From left to right are: Mrs. Arthur Grenfell, Captain and the Hon. Mrs. Fairfax-Lucy, Lady Tweedsmuir, Lieut.-Col. E. D. Mackenzie, C.M.G., D.S.O., Comptroller of the Governor-General's Household, Commodore W. G. Busk-Wood, R.D., R.N.R., commander of the Empress of Britain, and Mrs. George Pape, Lady-in-Waiting to Her Excellency.

ness or devotion to her responsibilities I don't know. But the experience confirmed in me a hatred of the people who find sport in destroying anything so lovely and so gentle. Perhaps too it was her family that crossed the road in front of my car yesterday, a dozen awkward young things, quite indifferent to the perils of traffic or to the fact that I was burning up the best knockless gasoline while I waited for them to agree about the side of the road they would choose.

I like to see Caleb, our farm factotum, swinging down the lane on his way to milk the cows, already waiting for him at the stable, and, as it were, impatiently glancing at their wrist watches. Magnus, the big collie, runs ahead of him, and Parva, the small black Scottie, chugs behind. She is all officiousness, with the air of managing the whole enterprise. She is full of delightful affectations, full of sin and charm. Magnus is deliberate, dignified, given to profound canine reflections, and a gentleman of the old school if ever there was one.

I LIKE to hear the mourning dove in the willow tree at 8.45 precisely every morning. The punctuality of nature is a constant surprise to a newcomer like myself. There is a humming bird that visits the garden just as punctually every afternoon between three and four. Of all the wild things, it seems the least conscious of human presence, and will even plunge its delicate long beak into a flower held in the hand.

When merely to see and hear is not enough, there is the garden. I will not pretend that the care of a garden is all bliss. There are times when it reminds me of the rule in Latin grammar, applying to verbs meaning hope, promise, undertake and swear. (You remember that rule?) But eventually the hope and promise are fulfilled, the undertaking is justified, and only a modicum of swearing is called for. This morning a few hearty expletives shatter the quiet of the loveliest spot, God wot. My handsomest tomato plant shows the devastations of the tomato worm or caterpillar or whatever it still feasts upon it, looking like a prehistoric monster in little. There is a young rabbit too, full of my good Chantenay coreless carrots, but so

innocent, so charming as he looks up for a minute with a sort of mild surprise at my ill-aimed shot with a stone that I haven't the heart to repeat it. I gather the corn and the tomatoes for our dinner, or make as impressive a collection as I can for a friend, not, I admit, so much an expression of benevolence as of vaingloriousness, and a desire to make amends for boring her to extinction with my agricultural ecstasies.

Mrs. J. A. Heaman of Windsor went to Montreal to meet her son, Sam, who has been on a European tour. He is one of the Canadian school boys who have been abroad for the last seven weeks visiting England, Scotland, France, Switzerland and Norway.

Mrs. Townley Douglas, who has been spending the summer at Metis, has returned to Ottawa.

Mr. and Mrs. Boris Hambourg have



MRS. P. B. TOLLER and Miss Jane Toller of Ottawa, are seen on board the Empress of Australia as they arrived at Quebec after four months spent travelling in Europe.

But as I cannot make such amends to any hapless reader, perhaps this would be a good place to stop.

TRAVELERS

Mrs. H. D. Lockhart Gordon and her daughter, Miss Isabel Lockhart Gordon, are at Hackmatack, Chester, N.S., and will return to Toronto in a month.

Miss Jane Counsell has returned to Toronto from Winona Lake, Indiana, where she has been spending several weeks.

Lady Perley, who has been the guest of Mrs. Robert Gill at St.-Andrews-by-the-Sea, has returned to Ottawa.

returned to Toronto from East Gloucester, Massachusetts, where they spent several weeks. En route by way of Ottawa they visited Colonel H. C. Osborne, and Almonte, where they were the guests of Mrs. McIntosh Bell.

Mr. and Mrs. Gustave H. Rainville have returned to Vaudreuil from Southampton, L.I., where they were the guests of Mr. and Mrs. Jules R. Timmins for two weeks.

Judge and Mrs. Lucien Cannon, and their son, Mr. Louis Cannon, who have been in Maine and more recently on a motor tour of the Gaspé coast, have returned to Quebec.

Miss Jean Perley-Robertson of Ottawa has sailed by the Empress of Britain to spend the winter in London. She is accompanied by Miss Jean Denny, of London, England, who has been her guest.

Mrs. Albert E. Gooderham, Mrs. W. E. Chalmers, Mrs. Wallace Barrett and Mrs. R. E. Grass have returned to Toronto from Cape Cod. En route they spent the week-end at the Seignior Club in Quebec.

Mrs. A. A. Magee and her daughters, Miss Willa Magee and Miss Nora Magee, and her son, Mr. Allan Magee, who have spent the summer motoring through Western Canada, are expected to return to Montreal on September 6.

Miss Diana Champ, who spent the summer at Lake of the Woods and in Winnipeg, has returned to her home in Hamilton. With her father, Mr. W. B. Champ, she attended the tennis tournament at the Seignior Club, Quebec.

Mr. Norman Wilson and the Hon. Cairne Wilson, of Ottawa, went to Quebec to await the arrival of Mrs. Wilson's sister, Mrs. Robert Loring, of Montreal, returning from England on the Empress of Britain. On her arrival they left for their summer house at St. Andrew's-by-the-Sea, accompanied by Mrs. Loring.

Miss Gladys Gibbons has returned to Quebec from England.

Mrs. John Porteous and her children have returned to Montreal from the Island of Orleans, where they were the guests of Mrs. C. E. L. Porteous for several weeks.

Miss Theodosia Bond has returned to Montreal by the Empress of Britain from England and Scotland, where she spent the past six weeks.

Mr. H. D. Burns has returned to Toronto from "Pansy Patch," St.-Andrews-by-the-Sea, and Mrs. Burns will return the middle of the month.


Mrs. E. G. M. Cape and her son, Mr. David Cape, have returned to Montreal from Kennebunk Beach, Maine, where they spent three weeks at the Atlantic Hotel.




MISS LILLIAN KRIBS, daughter of Mr. and Mrs. Gordon Krubs of Toronto, whose engagement to Mr. Peter Stuart MacKenzie, younger son of Mr. and Mrs. Robert Vallance MacKenzie of Lucknow, Ont., has been announced.

—Photograph by Ashley & Crippen.

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EUROPE ON 75 CENTS A DAY

BY RUPERT MEE

A MAN, preferably a young man, can travel in Europe and England on 75 cents a day. I did last summer, and the startling conclusion reached was that it cost less to spend three months over there than to spend them at home.

Now don't misunderstand me. A well-lined pocketbook is a decided asset in England, France or any other place. It must be very pleasant to dine at the Savoy in London and very exciting to try to break the bank at Monte Carlo's famed Casino. But those countries have many less expensive pleasures to offer. The Louvre, with all its treasures, asks only three francs of the visitor—(under fifteen cents). There is no charge for wandering through the stately cathedrals of France and England. There are dozens of beaches along the Riviera where you can swim for nothing, in nothing; and no front-row seats are necessary for the enjoyment of the Alpes Maritimes and their sunsets. France and Italy supply the softest of haymows, and Germany is a paradise for young folk who wish to vagabond economically. One Cambridge undergrad I met had bicycled through Germany for six weeks on a total of \$15. What is more, he never had to go to bed on an empty stomach.

PERHAPS you have the time to go abroad, but not what you consider sufficient funds. If such is the case this article may prove of some value. How much cash do you actually need in all? Providing you are willing to rough it a bit, \$250 dollars for 90 days is more than enough—a small outlay considering the rich returns in experience and pleasure that the trip will give you. This sum includes boat fare both ways; train fare, (should you be landed at one of England's many coast ports) to London, from which point we will presume that you are planning your tour; Channel crossing amounting to \$6 return; souvenirs; living expenses; and sufficient left over to blow yourself to a twenty-franc dinner and a glass of champagne now and then. If you are feeling particularly adventurous you might even leave home with \$150 and trust to luck that you

In Germany the charge is even less. The hostels supply the bed and blankets; you supply the sheets, which consist of a cotton sleeping bag carried in your duffle from place to place. The membership fee is approximately \$1.50. The few luxuries that the buildings lack are more than made up for by the interesting people that you meet in them—decent, friendly young folk bent on seeing some of the world on a shoestring. The man in charge of the London hostel will provide you with maps showing the location of the hundreds of hostels spread over the various countries.

DON'T fail to drop into the offices of the American Express, 6 Haymarket, while you are in London. Their services are efficient and courteous. You can clear up any difficulties regarding foreign currencies there; buy Traveler's Reichmarks, which allow you a very favorable rate of exchange in Germany; consult their maps and ask advice on the best routes for you to take through the countries you will be visiting. Mail will be forwarded by them to their branch offices in any of the larger centres of Europe. Also visit Canada House, if you are a Canadian. And between trips to such places marvel at the efficiency with which the largest city in the world is run, at the cool politeness of its dwellers, and at the sense of stability and quiet dignity you are left with after wandering through its twisty streets. A week in New York leaves you with the feeling that you have been there for months. After weeks in London you still feel strange and a bit unworldly.

WHEN you have had your fill of London the question arises as to the best method of travel. Cars are out of the question; and even motorcycles, with gasoline selling up around 40 cents a gallon, prove expensive. Buy a bicycle. Nearly everyone over there bicycles. It is cheap, gives a lot of fun, and provides splendid opportunities for really seeing the countries through which you pass. The Cyclist's Touring Club—3 Craven Hill, London, W. 2—will send



IN TIME FOR THE NEXT BOMBARDMENT is what the cynics said when the work of restoration of Rheims Cathedral was recently completed and the magnificent edifice rededicated. It will be recalled that this architectural masterpiece was severely damaged by shell fire in the war of 1914-18.

which prevents you from selling the bicycle while there. By paying the Cyclist's Club the necessary deposits you know that your money is in safe keeping, awaiting your return to England, and that you will save many hours of argument with foreign border officials.

PACK light. A raincoat, a blanket (if you are planning sleeping out at all), a cooking outfit to provide you with inexpensive breakfasts and mid-day meals while on the road, a pair of comfortable, brogue shoes, flannels and a tweed jacket are your chief needs. Leave whatever else you may have brought in London, because nothing is so much in the way as an extensive wardrobe. You can comfortably cover fifty miles a day, for the highways throughout England and Europe are much superior to our own; but to attempt to plan on how far you will travel in a week, let us say, is the height of folly. Hurrying through Vézelay in an attempt to reach Avalon that night would result in your missing one of the quaintest towns in all of France.

Don't miss the lake district in England, or Kent or Devon. Chartres, 60 miles southwest of Paris, boasts of one of the loveliest cathedrals in the world. What windows! Versailles will furnish you with many hours of enjoyment. So will the chateau country south of Paris and the wine district still farther to the south. The Mediterranean Sea is as blue as the poets would have you believe—and but there I go trying to give a travelogue rather than an article on economical globe-trotting. Perhaps you are more interested in history and politics than in such beauties.

YOU will learn many tricks of the road that will save you time and money. When the supper hour comes round keep your eye peeled for a transport truck (I hate to admit the presence of such things in romantic Europe, but they are there) and follow it until the driver stops to eat. Ten chances to one he will lead you into an out-of-the-way restaurant where you can gorge yourself for a pittance. There is no better method of finding good, cheap food. In France the soup course consists of a huge and delicious bowl of "potage," which is placed in the centre of the table and

from which you can help yourself. Therefore, if you are with a companion, the smart thing to do is to each take a separate table and with a bowl of soup apiece banish the pangs of hunger before the meat course comes in sight. Food in England is much more expensive than on the Continent, so, while there, stick to the hostels. France and Italy supply excellent five-course dinners for as little as 25 cents—if you watch where you go. The Café de la Paix in Paris will charge you 20 cents for a glass of café-noir that is no bigger than an egg-cup. Walk around the corner and you'll find a less ostentatious place where you'll be able to get exactly the same thing for four cents.

WHATEVER you do don't say you're from America. The European seems to harbor the delusion that anyone from this side of the water wallows in wealth, and prices will be doubled for your benefit. This mistaken impression is due, no doubt, to American tourists, who, when the franc was low, used to amuse themselves by flipping paper notes around Paris as if they were confetti. Claim to be a Britisher, or better still a Scotchman.

You need have no fear of being made Nazi or Fascist. The social strife of those countries will affect you not at all. For the most part Europeans are the friendliest of peoples toward their visitors. Neither do you need to be a linguist in order to make your wants understood. High School French, if spoken slowly enough, will be sufficient. In Germany and Austria many of the inhabitants speak a smattering of English, so you'll have no trouble there. Of course a thorough knowledge of French, Italian and German would help enormously, but nothing works up a better appetite than fifteen or twenty minutes of hand waving.

One other point: try to keep out of mountainous country as much as possible, unless you delight in physical exercise and can take your time. Some of the grandest scenery is to be found along the Pyrenees and through the Swiss Alps, but even a three-gear bicycle will wear you out in no time if the roads are hilly. You have to cross the Alps into Germany, of course, but the steepest part of that climb can be made by train for a very reasonable fare.

THERE will be times when you'll wish you'd never left home. A ten-mile stretch of cobblestone will leave an ache in every bone of your body. You will have to contend with irate farmers, flat tires, chill rains and a thousand other petty misfortunes. What can be more annoying than, after a half-an-hour of London's crowded undergrounds, to find yourself as far from Russell Square as when you started? And bicycling through Paris traffic on a busy afternoon would turn Torcy Peden's thatch of red hair to grey.

Europe has its seamy side, too. Dire poverty, filth, disease, cruelty, war preparation and the like. But you'll want to go back. There is a strange fascination about those countries where progress battles tradition and past custom, the new against the old. One moment you will be cycling along a modern highway, dodging high-powered cars as they swish by, honking their blatant horns. The next you will have turned off into some bumpy side road along which will come trundling a cart, loaded with wood, pulled by a stoop-shouldered little peasant woman, whose husband strolls nonchalantly along in the rear, whistling away to his heart's content. But, apart from all that, I'd cross the ocean again, given the time, if it were only to crunch upon a long loaf of French bread, and wash it down with a cool bottle of "vin rouge."

TRAVELERS

Mr. and Mrs. Huntly Ward Davis have returned to Montreal from the Atlantic House, Scarborough Beach, Maine, where they spent the summer. Lieut.-Colonel and Mrs. Charles M. Rutan have returned to Toronto. The former visited the Pacific Coast,



travel in

Elizabeth Arden

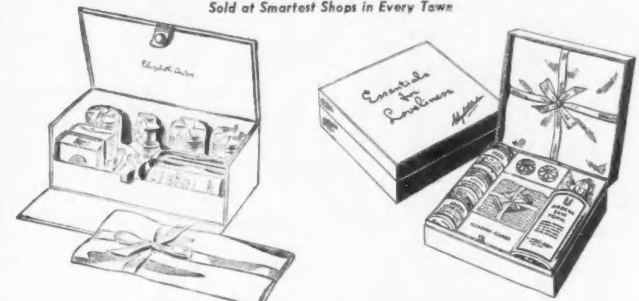
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STRAIGHT TO THE BORDER run the new military roads of Germany, unencumbered as yet by the "Strength through Joy" people's autos. The German cloverleaves are simpler than those of Ontario highways.

can coax a foreign consul into providing you with "work-away" passage back. It's been done many times before.

HAVING decided to make the trip, your first step should be a visit to the doctor. Ask for a thorough examination and then be inoculated against typhoid, for some of the water that you drink may prove anything but pure. Next, drop around to a travel agent who has your interests at heart and not the emptying of your pocket. He will give you a form to fill out, stating your age, nationality, etc., which must be signed by some responsible professional acquaintance. This he will send to Ottawa, along with your fee and a passport photo of yourself which you must provide. In a week or two your passport will be mailed to you. Without much trouble he should then be able to obtain for you passage on a freighter sailing out of New York, Montreal or Boston. This boat will probably change its sailing date at the last moment and the food may not be any too appetizing, but you'll be landed somewhere in England and that's the main thing. Such sailings will save you considerable money. Sixty-five dollars one way should be the approximate cost, as against \$90 or \$95 dollars third class on a liner.

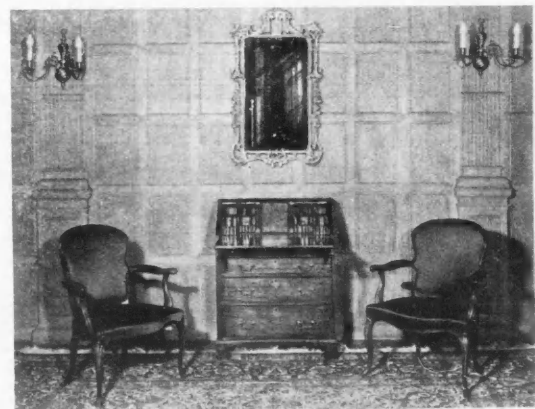
HAVING landed in England your best plan is to head straight for London. There you can browse around for a few days and decide on just what points in England and the Continent you wish to visit. If you're not lost fifteen minutes after reaching that province of brick and stone you may consider yourself an exceptional fellow. But where is there a more interesting spot in which to be lost? You could well afford to spend your entire holiday within a 50-mile radius of London, but probably the lure of foreign countries, where the manners and speech of the people are so entirely different from those of your own, will hurry you away before you have seen one quarter of her wonders.

While there, however, keeping in mind your 75 cent-a-day limit, you had best make your headquarters at the Youth Hostel, on Great Ormond St. A word about these hostels may prove opportune at this point, for you will be staying in them whenever possible. The Association has taken over old buildings throughout England, France and Germany, also in a few of the neighboring countries, turning them into comfortable quarters where young transients of either sex can spend the night for as little as 25 cents in our money, and buy a heaping supper for the same amount.



CATHEDRALS OF GERMANY. Inside the dome of the magnificent church at Munster, Westphalia, showing the high altar.

—Photo courtesy German State Railways, Toronto.



18th CENTURY STYLES
that may be grouped harmoniously

Mahogany desk and carved-and-gilt pier glass are Chippendale reproductions; armchairs show the fine, graceful lines typical of French Hepplewhite.

GALLERY OF ANTIQUES
AND REPRODUCTIONS

Fifth Floor

EATON'S COLLEGE STREET

and Mrs. Rutan was in Winnipeg, the guest of her mother, Mrs. George D. Wood. Miss Helen Rutan who is still in Winnipeg, will return the end of September.

Mrs. George Garr Henry, who was the guest of her parents, Mr. and Mrs. R. E. MacDougall, at Murray Bay, has returned to New York. Mr. Henry, who accompanied her to Murray Bay, returned to New York the previous week.

Mrs. W. Jack Willoughby has left Toronto to spend three weeks with her sister, Mrs. W. S. Cherry, in Bristol, Rhode Island.

Mr. Justice and Mrs. Ainslie Greene, who have been the guests of Mrs. Charles Brennan at Thirty-One-Mile Lake, have returned to their home in Toronto.

Mr. and Mrs. Roy Whitehead and their children have returned from a motor trip to Prince Edward Island and are at their summer house at Olive Island, Lake Rosseau, Muskoka, for the remainder of the summer.

Mr. and Mrs. Elzeir Verret of Quebec and Mrs. Hamilton Sewell, who have been visiting Mrs. Verret's and Mrs. Sewell's sister, Miss Ross, at Loretteville, have left by motor for

St. Petersburg, Florida.

Lady Kemp has returned to Toronto from Norfolk, Conn., where she was the guest of Mrs. Denison Dana.

Admiral and Mrs. Percy Nelles have returned to Ottawa from York Harbor, where they spent several weeks.

Mr. and Mrs. Alfred Bunting of Oakville, spent last week-end at Niagara-on-the-Lake, the guests of Mr. and Mrs. Charles Penny.

Mr. and Mrs. Matthew C. Holt have left Montreal to spend two weeks in Saint John, N.B. Mrs. Holt recently returned from a six weeks' trip to England and France with her uncle, Mr. A. E. Holt.

Mrs. George R. Starke, her daughter, Mrs. Clement Alloway, and her granddaughter, Miss Alice Adair, have returned to Montreal from Metis Beach where they spent several weeks at the Cascade Hotel.

Mr. and Mrs. W. W. Staveley have returned to Quebec after spending a fortnight at Cap à l'Aigle.

Mrs. Huntly Duff and her daughter, Miss Catherine Duff, who spent the winter in Barbados, and have since been traveling on the Continent and visiting in England, have returned to Montreal by the Ausonia.



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Mothersills

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SICKNESS by
SEA, AIR and
TRAIN

"PETITE MARMOTTE"

BY HELEN IRVINE COOK

IT WAS early one June morning, at the time between sunrise and breakfast when sleep is most delectable. Dimly we became aware of the small boy sitting at the foot of the bed. After hours, it seemed, he spoke.

"Daddy, it's a marvelous day."

"Marvelous. Buzz off."

Several more hours passed. He was still there.

"Daddy, I got one." The tone of voice was indifferent to the point of boredom.

"One what?"

"You know. A groundhog. The one from the stonepile. The big one. Daddy, he's enormous! I left him on the dining-room table but I'll fetch him if you like. Shall I?"

We sat up. We became acutely groundhog-conscious. We have been ever since.

THE Plateau des Eboulements on the lower St. Lawrence, where we have a summer cottage, is a paradise for groundhogs, or as they are sometimes called woodchucks, a name suggesting a jingle on their ability to chuck wood if they could, which is familiar to all Canadian children. After the first successful effort of the small boy who had crept out at dawn with a rook rifle and waited patiently for his victim to forage among Pierre's young turnips, we carefully investigated the status of this familiar and despised animal.

The Eastern Canada groundhog is a largish creature, rather like a terrestrial beaver. He burrows in cultivated fields or railway embankments, under stonepiles or in the banks of streams. His pelt is valueless. The habitants call him *siffleur* (a corruption of *siffleur*) from his habit of half whistling, half hissing, when disturbed or on the defensive. Entirely vegetarian, he is very destructive of root crops, yet so prolific that casual persecution in no way diminishes his numbers. He is timid but incurably curious. He gives excellent account of himself if cornered by an inexperienced dog.

He is blood-brother of the European marmot which, we learned, was used by the sweeps of eighteenth-century France to carry the brushcords up and down chimneys. A sooty and bedraggled groundhog seems to have been the usual companion of the *ramoneurs*—or *ramoneuses*—of Paris. In Canada he has no utility save as a fair target or if caught young enough, as a tractable and intelligent pet.

WE COOKED the groundhog, *Escouffier*, whom we consulted, had nothing to say of him, evidently ranking marmots with geese as being "for bourgeois tables" only. A South Virginian cookbook furnished some of the *finesses* reserved for opossums. A *Boa Cocineira* of Rio de Janeiro, suggested a gravy originally devised for strange Brazilian animals. All that finally went into the pot with him we do not know, but it included bay leaves, orange juice and a generous glass of

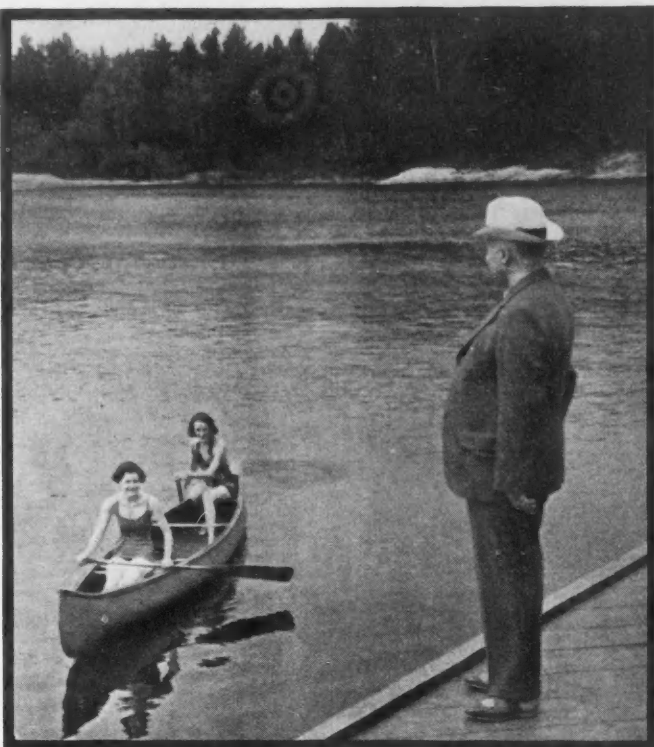
UNEASE

HE BREASTS the chill surf with laughter. Swims until young muscles tire. And flings himself on the sand after. Stretches with a slow yawn. And falls asleep, to dream that he, in a ravaged land on a grey dawn, is drifting drowned in the Yangtze.

Under the pine tree on the hill He picks the wild Salmon-berry; Bees point the silence here, until In sharp staccato overhead A silver hooded Army plane Goes droning by. A sudden dread Links his heart with ruined Spain. Victoria, B.C. DORIS FERNE.

Madeira. The result was far beyond expectation. He came out more delicate and less strong than hare—rather like mild venison with just a dash of grouse and a *souppon* of armadillo. He was not nearly large enough.

This was the first of several, but somehow none of our neighbors would dine with us when groundhog was on the menu. The most succulent description was of no avail. Their excuses were varied, yet unshakable. We decided that it must be the name, for



PREPARED FOR EMERGENCY, a Canadian canoe is perfectly safe when properly handled. The correct method for paddling is demonstrated to Honorable Rosalind Finlay (left) daughter of Right Honorable Viscount Finlay, while a guest at Minaki, Ontario. The Viscount, who came to Canada to attend the Convention of the Canadian Bar Association at Vancouver, is standing on the wharf at Minaki Lodge.

after all "jugged groundhog" sounds awful and "ragout de woodchuck" even worse.

However, the problem was solved.

"Darling," said the small boy's mother one day, "do you mind going across the ravine and asking the Dud-

leys to dinner tomorrow?"

"Tomorrow? Aren't we having groundhog?"

"We are. But if they are so ignoble as to ask, just tell them it is to be *petite marmotte*."

After that it was a great success.

—From Our Jewel Box

No. 5—THE SARDONYX

BY MARIAN STRANGE

THE colors of the superposed layers of the agate have been utilized by lapidaries skilled in the cutting of cameos to give shading and contrast to their work. A favorite contrast in color among such cameos is furnished by a white layer superposed upon a black one, the combination taking the name "onyx" from the deep black background color. Where a white layer contrasted with one of carnelian or sard is used, the combination is known as "sardonyx."

The term "nicolo" is sometimes given to an onyx in which the light colored layer in which the design of the cameo is to be cut as translucent bluish white.

Mohammed the Prophet is said to have worn constantly a carnelian, declaring that all desires would be gratified to the wearer of such a gem. They were considered a talisman of good fortune. Brownish red and dark carnelian is known as sard. Both carnelian and sardonyx are under the heavenly Leo and the sun. They should be worn on the left side near the sun of the human body, which is the heart, governed by Leo. This stone was worn as a ring and was believed to prevent bleeding at the nose. Ancient peoples used the stone with a carved intaglio for ornamental wear, believing that it would cure throat infections and still angry passions.

The sardonyx differs from sard and carnelian slightly in color, but they are the same stone. Sardonyx, because of the syllable "onyx" which means a stone having different colored layers, is rightly applied only to the banded stones. Sard is the translucent stone—brown or reddish-brown in color. Carnelian is the

translucent stone—yellowish to red in color.

The sardonyx, sard or carnelian are August birthstones, because they are the same stone but slightly different in color; since early times the names have been used more or less interchangeably.

The forms of jewellery in which the sardonyx is used are principally in cameos or intaglios. The bands of color lend themselves ideally to the carving of the raised figures on cameos. These figures may be white, black or bluish. The figures are carved from the black or white layer in relief against the brown or gray background.

THE "Serpent Isle," in the Red Sea, was stated by Agatharides to be the source whence came the peridot, also the birthstone of those born in August; here, by the mandate of the Egyptian kings, the inhabitants collected specimens of this stone and delivered them to the gem-cutters for polishing. These simple details are elaborated by Diodorus Siculus into the legend that the island was guarded by jealous watchers who had orders to put to death any unauthorized persons who approached it. Even those who had the right to seek the gem could not see the chrysolite in daytime; only after nightfall was it revealed by its radiance; the seekers then marked well the spot and were able to find the stone on the following day.

From this Egyptian source, and possibly from others exploited by the Egyptians, have come the finest chrysolites (peridots, or olivines), the most magnificent examples of this gem. These found their way into the



"YOUNG ADVENTURERS." This photograph by H. Douglas Lawson, 526 10th Avenue N.E., Calgary, was the winner of a first prize in the "Special" class of "Saturday Night's" Photograph Competition. Kodak Recomar. 1/100 sec. at F. 16.

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cathedral treasures of Europe, evidently by loot or trade at the period of the Crusades, and are generally mis-called emeralds. Those most notable are in the Treasury of the Three Magi, in the great "Dom" or Cathedral at Cologne. Some of these gems are nearly two inches long.

Beautiful specimens can be seen in the Morgan collection at the American Museum of Natural History and in the Higginbotham Hall in the Field Museum of Natural History, Chicago, Illinois.

Chrysolite (olivine, peridot), to exert its full power, required to be set in gold; worn in this way it dispelled the vague terrors of the night. If, however, it were to be used as a protection from the wiles of evil spirits, the stone had to be pierced and strung on the hair of an ass and then attached to the left arm. The belief in the virtue of the Chrysolite

to dissolve enchantments and to put evil spirits to flight was probably due to the association of the stone with the sun, before whose life-giving rays darkness and all the powers of darkness were driven away.

TRAVELERS

Mr. and Mrs. J. Milton Cork have returned to Toronto after spending the past few weeks at the Manoir Richelieu, Murray Bay.

Mr. Justice and Mrs. P. A. Chiquette have returned to Quebec from Notre Dame du Portage.

Colonel and Mrs. Colborne Mercer, who have been spending the summer in England, have returned to Ottawa.

Mrs. William Dobell, of Quebec, has sailed by the Duchess of Atholl to spend some time abroad.

CONCERNING FOOD

BY CYNTHIA BROWN

Blois-on-the-Loire,
France, August 15th.

"MY DEAR, half the fun of traveling idly in France is eating where and when you please. Any village inn or café will toss you up an incomparable omelet in no time. With a bottle of *Vin du pays* and some crusty French bread you will want nothing else. Ah, those omelets, and that sparkling country wine!"

You've heard them. Everyone who has ever done a tour in France apparently talks like that ever afterward. Probably I shall myself. After all, though I'm a particularly strong character (ask the man who tried to sell me a new vacuum cleaner lately), who am I to outwit tradition?

So let us get together on the subject while there is still some measure of truth left in your correspondent. In other words, before the mist of memory has obscured the harsh lines of fact.

It is very, very difficult to get an omelet in France. You can get a lamb chop easily recognizable as well-

WITH a nice, simple omelet luncheon in mind you pull up at noon before the most promising of the village pubs. No use trying the corner café with its gay painted chairs, awning and gingham table cloths. Cafés are for drinking in France, not eating. You choose the *Lion d'Or*, or the *Cheval Blanc*, or the *Hôtel de la Poste*. In Northern France our researches teach us there are only three names for the small hotel, all heavily overworked. The one you choose has tightly closed windows, although this is August and all France is perspiring from every pore. The windows are heavily draped with elaborately patterned and very durable French net about as heavy as a bedspread. The proprietor greets you with no sign of that Gallic enthusiasm you have been taught to expect. Suspicion is, in fact, the key note of your welcome. *Déjeuner?* But yes—if Madame will but be seated etc. . . here is the menu.

There isn't a bit of use your explaining in your best French that Madame isn't hungry. Madame is in a hurry, Madame thinks this menu a triumph of art but really what Madame wants, nay yearns for, is a simple omelet. The proprietor merely waves his hands and in a flood of French explains this is the menu for today and see, there is no omelet on it.

OF COURSE you can stick with it, and at the end of half an hour's discussion, and another half hour's delay to make the odd confection you demand you may get an omelet. But I shouldn't count on it. Better eat your way through seven courses including *hors d'oeuvres*, *poisson*, *pâté poulet*, *salade*, *fromage* and *dessert*. All will be good, all will take about one hour and fifteen minutes to serve and about fourteen minutes to eat. This is the luncheon for today. Take it and like it. It is also the luncheon for yesterday and for tomorrow; for, with minor alterations, these are the seven varieties of food you are expected to consume at noon in France.

But when you do get your omelet, how good it is! To begin with, it will be hot. Try and get a really hot omelet in a Canadian restaurant. The French know that a good omelet finishes its cooking on the platter on which it is served. It is taken from the pan *before* it is done. This, I think, is half the secret of its invariable success.

THE eggs are lightly beaten, not whipped to a froth. The pan into which they slip is smooth as silk and kept for omelet alone. It is well, but not drippingly buttered; and it is very hot. The chef waggles the pan with his left hand, touches the coagulating mass lightly with a fork, flips the left side over the right while the top is still liquid, tilts the pan and slips the folded omelet onto the very hot platter and presents it to you in a matter of seconds, not ten or fifteen minutes later when it has begun to resemble a nice section of your best layer-felt mattress.

In making a Parmesan, *Champignon*, or *finer herbes* omelet the additions are made before the omelet goes into the pan. They are not spread on the half cooked eggs between the fold of the affair. The finely chopped herbs—parsley, chervil, tarragon and so on—thus appear throughout and flavor the whole, as do the sliced mushrooms that have already been lightly cooked, but not colored, in hot butter. The cheese you taste throughout, but never see.

And when you get it, with a French green salad, what a perfect luncheon it is!

As I said before, who am I to outwit tradition! I have begun to reminisce already, see?



MRS. E. H. COLEMAN of Ottawa, admires the dahlias in the gardens of the Empress Hotel in Victoria where, with her husband, she spent a holiday prior to the meeting of the Canadian Bar Association in Vancouver.

—Photo courtesy C.P.R.

exercised mutton; pieces of steak are not hard to find—firm, stringy and unhung; a creation called a *pâté* is a specialty of every *maison* however humble (these are made of beef, veal or pork, according to the whim of the hostelry you patronize, and inevitably taste like sausage meat); but an omelet—no.

Let it be understood at once that we are speaking momentarily of meals in the really small towns and villages of Northern France where the bulk of our researches have been carried on of late. The omelet question in the hotels of the larger towns or cities has different angles. Even in these they do not encourage you to omelet *ad lib*, but you can get an omelet if you are determined about it. They even appear occasionally on the day's menu as an alternative to the *pâté* or other entrée, sometimes in a place of honor.



MRS. IAN CARGILL OGILVIE MATHIESON, the former Margaret Gray Mewburn, whose recent marriage is of interest to Canadian and London society. The bride is the eldest daughter of Mrs. Gray Mewburn of Toronto. Mr. Mathieson is the younger son of Mr. Thomas Ogilvie Mathieson of Park Gardens, Glasgow, and nephew of Sir John Trail Cargill (Bart.) of Glasgow and London. Mr. and Mrs. Mathieson will live in England.

—Photograph by Violet Keene.



BOXY, BROAD-SHOULDERED AND BLACK—one aspect of the new fur coat picture. The beauty of the tightly curled, silky Persian lamb is equalled by the smooth, rich softness of the French antelope model bag with gold metal lacings outlining a unique tricorn closing. Louis XIV colors (the cerise and royal blue inspired by Norma Shearer's "Marie Antoinette") are used for the cluster of velvet ribbons on the miniature hat.

—Photograph courtesy The Robert Simpson Company, Limited.

THE DRESSING TABLE

BY ISABEL MORGAN

EN ROUTE from Europe to New York, Madame Helena Rubinstein spent a few days in Canada recently. The journey was also a wedding trip and she was accompanied by her husband, Prince Artchil Guruli-Tchkonka of Guria, an exceedingly handsome person with iron-grey hair who received his education in the School of Pages in Russia.

Madame has brought with her to this continent a trousseau of beautiful clothes with which she wears the most recently exotic jewellery of which she has an enormous and almost priceless collection. When we met her she was wearing a black and mustard yellow printed silk frock and many bracelets from which hung scores of jewelled charms—among which could be glimpsed a glowing emerald about the size of a twenty-five cent piece and encircled with pearls, a mother of pearl fish mounted with silver filigree, a tiny golden crown. On one of her fingers she wore her betrothal ring—an enormous heart-shaped canary diamond half sunk in a heavy band of yellow-gold.

Madame Rubinstein brought news of her new make-up which will be available almost as soon as this is in print. It is called the Orchid make-up after the flower which inspired its tones and is designed to provide a neat alliance between sun-tanned complexions and the deep glowing shades of fall clothes. There is a champagne rosé powder—a beautiful blend of the light tawny tints of champagne with a suggestion of mauve orchid tones, an orchid red lipstick and nail polish, and paste and cake rouge in a pink-mauve shade that may give you a few bad moments until you see it on the skin where it has an appearance of glowing delicacy that is indescribably lovely. The eye-shadow takes its color from the mauve tints of the flower—and is light enough in key to enhance the eyes without making them look oh-so-tired-of-it-all. Suitable for wear with the new purples of which we've been hearing so much, brown, green, or white and black, and for all types except red-heads.

CABLES from abroad have been burning with news of sumptuous velvets, lamés, jewelled and glittering embroidery on afternoon frocks, the profuse use of furs. Eyes naturally will be highly accented if for no other reason than the increasing popularity of the upswept coiffure that focuses attention on the forehead, the brows and therefore the eyes. If you feel the urge to do something about it, you might investigate the four new iridescent eye-shadows soon to be brought out by Shadette. These scintillating shades are in a light blue, violet, green and bronze. All the colors are so light they can be worn when used sparingly, in the daytime and of course, are dramatic at night. By the way, smear eye-shadow on with your little finger if you must, but it looks better when applied evenly with a little camel's hair brush.

ONE of the most important words in the fashion picture this Autumn is "Hair" and the most important word in the hair picture is "Up". The high hair-do has swept everything before it—hats, coat collars, necklines, shoulders—everything is strictly on the up and up. As the man who pioneered this trend more than a year and a half ago, you would expect Mr. Louis, National Director of the American Hair Design Institute, to be gratified. But strangely enough he isn't. In fact, he's downright peeved about it all. He protests rather plaintively that Paris is taking credit for the Upswept Coiffure when it is definitely of American origin and introduced for the first time by the Americans at the International Exposition way back in May, 1937. The second reason for Mr. Louis' disappointment is the direction the upswept trend is taking. Months ago he cautioned that shorter hair was an indispensable adjunct to the up coiffure and that the feeling for height should be one of movement rather than of placement.

Unfortunately, he feels, the thing

he warned against materialized. Women began to brush up their long bobs, pinned them down with hairpins or miniature combs and topped it all with thick bunches of curls at the peak of the crown. This, according to Mr. Louis, is definitely wrong. It distorts the shape of the head and, therefore, is not smart hair-styling.

The artistic high hairdress should be a close-to-the-scalp coiffure that outlines the natural contour of the head. The ideal length of the hair should be two inches from the nape with the upsweep faithfully following the lines of the head.

When the neckline is bad, however, the hair should not be cut so short. In that case, a medium bob (never a long bob) is called for. The hair is curled softly over the nape to hide the neckline and the high effect is achieved by an upward sweep at the sides and at the front over the forehead. This is an excellent compromise coiffure for the women whose features cannot stand a too severe "upping."

Mr. Louis believes that the possibilities for variety inherent in the brushed up hair-do's are limitless. He predicts that we are in for the most interesting coiffure season in many a year. With a soft, loose permanent wave as a foundation and with the hair properly cut and shaped, he maintains that a woman can give an uplift not only to her hair but to her spirits as well.



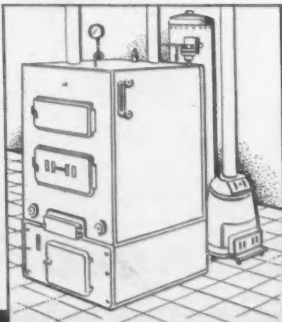
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SOCIAL WORLD

BY BERNICE COFFEY

HER Excellency the Lady Tweedsmuir, who spent the past few months in England and Scotland, has returned to Canada. She was attended by Mrs. George Pape and was accompanied by her son-in-law and daughter, Captain Fairfax-Lucy and the Hon. Mrs. Fairfax-Lucy, who will spend a few weeks with Her Excellency at the Citadel.

HIS Honor the Lieutenant-Governor and Mrs. Albert Matthews gave a dinner for the Right Hon. Lord Stanley, P.C., M.P., Secretary of State for Dominion Affairs, and Lady Stanley, prior to the official opening by Lord Stanley of the United Kingdom Pavilion and Government Building, Canadian National Exhibition, on the evening of Thursday, August 25. The following had the honor of being invited: The Hon. the Prime Minister of Ontario and Mrs. Mitchell Hepburn, Mr. J. E. Atkinson, Mr. George Brigid, his Worship the Mayor of Toronto and Mrs. R. C. Day, Brig-Gen. and Mrs. D. C. Draper, Mr. W. Dirksen-Schalkwyk, Acting Accredited Representative, the Union of South Africa; Brigadier and Mrs. W. H. P. Elkins; Sir Francis and Lady Floud, Ottawa; Mr. and Mrs. David H. Gibson; Mr. R. M. Firth, New Zealand Trade Commissioner, and Mrs. Firth; Mr. and Mrs. M. G. Langlois; Right Hon. W. L. Mackenzie King, Ottawa; Mr. and Mrs. C. O. Knowles; Mr. H. S. Malik, Trade Commissioner Designate for India; Hon. R. J. and Mrs. Manion, Ottawa; Mr. and Mrs. T. Frank Matthews, Colonel and Mrs. K. R. Marshall; Mr. G. H. Meadmore, Department of Overseas Trade, London; Right Hon. Arthur and Mrs. Meighen, Lieut.-Col. and Mrs. W. P. Mulock, Hon. Leopold and Mrs. Macaulay, Mr. and Mrs. C. George McCullagh; Mr. L. R. Macgregor, Australian Trade Commissioner, and Mrs. Macgregor; Mr. Ian MacLennan, Ottawa; Hon. H. C. and Mrs. Nixon; Lieut.-Col. H. Willis O'Connor, Ottawa; Mr. and Mrs. H. M. S. Parsons; Mr. James Paterson, Acting British Trade Commissioner, and Mrs. Paterson; Mr. D. B. Pitblado, Dominions Office, London; Hon. Richard Stanley, London; Mr. C. R. Stollmeyer, Trade Commissioner for British West Indies, and Mrs. Stollmeyer, Major-

General V. A. S. Williams, Sir Thomas and Lady White; Major A. Bruce Matthews, A.D.C.; Captain R. W. Armstrong, A.D.C.

MR. H. C. COX was host at tea following play-offs for the Grenfell cup which took place at his Oakville estate on Saturday, August 27, when he entertained the Oakville and Toronto polo teams. The same afternoon Mr. and Mrs. Donald F. Benson entertained for the players and their wives, including Mr. and Mrs. Harold Crang, Mr. and Mrs. Dennis Fitzgerald, Mr. and Mrs. A. Gordon Cameron, Mr. and Mrs. Alfred Bunting, Mr. and Mrs. Leo Dorfman, Mr. and Mrs. V. Straubenzky, Mr. and Mrs. John Kent, Mr. A. L. Smith, Mr. and Mrs. F. Bowman of Minneapolis. The winners of this series will go to Montreal early in the fall for the eastern Canadian championships.

SEIGNIORY CLUB, P.Q.

THE Seignior Club Manor House, where for eight decades the affairs of the Seigneurie de la Petite Nation were administered, awakened echoes of the past on the occasion of the annual costume ball. Recreating for a space a phase of its splendor, the old house in gala array was fitting background for a moving pageant of color and picturesque beauty.

Lanterns in multi-color were strung among the pines along the flower-bordered banks of the river, and bright starlight enhanced the beauty of the scene. In the stately rooms of the Manor where nearly a century ago the Seigneur of the Manor dispensed lavish hospitality to many distinguished guests, a gay throng of dancers assembled. Costumes of the old world and the new intermingled in the decorative old rose and ivory tinted ball room. French court ladies of the 18th century in flowered silk and brocade



MRS. T. J. PARSONS and her daughter, Miss Helen of Toronto, on board the Empress of Australia on their return to Canada after several months abroad.

gowns worn with powdered hair vied in loveliness with those of the early 19th century wearing hooped skirts, crinolines and poke bonnets. Eighteenth century courtiers were resplendent in knee breeches and patterned waistcoats, silk stockings and buckled shoes. The historic traditions of New France were represented by dignified seigneurs and soldiers in bright uniforms heavily braided in gold.

Framed in this picturesque setting, a moving picture of the shadowy past, the assemblage evoked images of men and women who once passed within these walls. Originality was displayed by many of the junior members, most of whom were costumed for the occasion, and the Judges, who included Mrs. R. F. Porter, Montreal, Mrs. C. P. Neill, Washington, D.C., and Mrs. J. M. Forbes, Montreal, assisted by Mr. B. H. Gibson, Princeton, N. J., and Dr. Pedro Platon, Brooklyn, had a difficult task in making awards. The prize committee included Mrs. J. C. Joy, Mrs. T. A. Somerville and Mrs. E. J. Hunt, all of Montreal, members of the cabin resident colony here. Following the presentation of prizes a buffet supper was served and dancing continued until a late hour.

Prize winners were Mr. and Mrs. Henry Doorley of Omaha, Nebraska, whose farm "Fairacres" is near the Seignior Club, dressed in 18th century costumes; Miss Virginia Schick, daughter of Mrs. Jacob Schick, Montreal, as a Spanish senorita; Mr. Everett E. Fisher, Detroit, as a Bedouin;



AT SEIGNIORY CLUB. From left to right: R. John Locke, son of Mr. and Mrs. J. H. Locke, Villa Nova, Pa.; Miss Mary Porter, daughter of Mr. and Mrs. R. F. Porter of Montreal; Mrs. Robert Thayer, New York City; Miss Jean White, daughter of Brig-Gen. and Mrs. J. B. White of Montreal; Miss Mary Mickles, Montreal, and Mrs. Marshall Stearns of New Canaan, Conn.



WATCHING A SOFTBALL GAME at the Seignior Club, where they have been spending the summer are, from left to right: the Misses Pauline Strachan, Barbara Emmans and Audrey Reid of Montreal; Gil Pepper, Montreal; Miss Barbara Butler, Middlebury, Vt.; Miss Marie Parmalee, Briar Cliff Manor, N.Y.

—Photograph by Associated Screen News.

Mr. and Mrs. Robert Thayer of New York, and Mr. R. F. Porter, Montreal, the men as a comical horse with Mrs. Thayer as the jockey; Mrs. R. W. Lovell, Montreal, dressed as a pumpkin; Miss Mary Porter, Montreal, as Queen of Hearts. Special honorable mention went to Mr. and Mrs. J. C. Joy, Montreal, for their gay nineties costume and to Mrs. Roy Wolvin, Dorval, who dressed as a slave girl.

Among other members and their guests in costume were Mr. and Mrs. Louis Papineau, Montreal, as Spaniards, Mr. and Mrs. Irving Smith, South Orange, N.J., dressed respectively as monk and French Maid; Mrs. G. T. Stanford, New York City, as a pirate; Dr. and Mrs. Paul Sanderson, Springfield, Mass., as Gaucho and lady; Mr. R. R. Aggas, Springfield, Mass., as a Russian Cossack; Miss Barbara Schick, Montreal, and Mr. Kern Longcope, New York, as a Bower couple; Misses Sarah Ann and Marilyn Fisher, Detroit, in Colonial period costumes; Mrs. R. E. Edmondson, New York City, as a Ballet dancer; Mr. and Mrs. Sidney Lane, New York City, as Pierrot and Pierrette; Mr. V. A. Hanson, Springfield, Mass., as a clown; Mr. and Mrs. W. L. Bayer as French Courtier and lady; Mr. Roy Wolvin, Jr., Dorval, as a Russian soldier; Miss Mary Mickles, Montreal, as Baby Snooks; Mr. and Mrs. M. Callan Montreal, dressed respectively as Sheik and Lady of the French Court.

BANFF SPRINGS HOTEL

THE dance Saturday night which climaxed a full week of social doings in connection with the annual Golf Competitions, was a colorful affair. The spacious ball room with its pastel lighting in pale rose, yellow and green, and the scarlet-jacketed orchestra made an effective background for the gay twirling frocks on guests from various parts of Canada and the States. Several of the men were in white coats, and summery white seemed to be a favorite among the women, many of whom had taken part in the tournament, all chatting animatedly about scores and prizes. There were lovely furs, white and silver fox capes and jackets and several wore the cozy little white angora boleros.

Mrs. Wilder Ripley, of Calgary and New York, wore a striking two-piece dinner gown, white crepe top with black skirt in exquisitely cut lines. Mrs. Pat Nolan was in coral brocade with large brooch of coral fruit. Miss Marno Cross, also of Calgary, was in flowered chiffon, and Miss Ethel Hilda, of Banff, wore summery white mouseline.

From Vancouver, Mrs. John Perry, a dark haired piquant bride, wore a gauzy frock of white point d'esprit with French blue sash. Mrs. Gus Lyons was in a light-hearted flowered chiffon.

Mrs. J. E. McMullen wore a chalk white dinner gown. Mrs. Ernest D. Todd of Victoria, one of the lucky players who had carried off a cup, wore a Paris gown of white brocade lamé, a dash of color were two huge French flowers in fuchsia, on the left shoulder, with matching sandals. Miss Marcia Prior, a popular brunette from the same city, had on a vivid "Hawaiian-waters" blue mouseline, with tri-colored blue sandals, and her mother, Mrs. P. J. Prior, looked distinguished in maroon crepe with matching accessories.

WINNIPEG

MR. KENNETH L. PATTON has left for Vancouver to which point he has been transferred. He will be much missed among a large circle of friends here, where he has spent his whole life.

Mrs. Alexander Bain entertained at bridge in honor of Miss Kitty Finch-Noyes of Oakville and Mrs. Douglas Logan of Toronto, formerly of this city. Six tables of jolly young matrons and maidens spent a delightful evening. Mrs. Culver Riley of

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Announcements

ENGAGEMENTS
Mr. and Mrs. S. A. Morse, Chatham, Ontario, announce the engagement of their eldest daughter, Mary Elizabeth Louise, to Mr. Adrian Joseph Kenny, son of the late Mr. and Mrs. M. G. Kenny, the marriage to take place in October.

—Ports of Call

BY PETER WILLIAMS

THE SOUTH AFRICAN VELD

TO DRAW a bead on a kudu—one of the larger South African antelope—and to return to camp with a lion as well, is perhaps one of the most curious experiences that could befall a hunter.

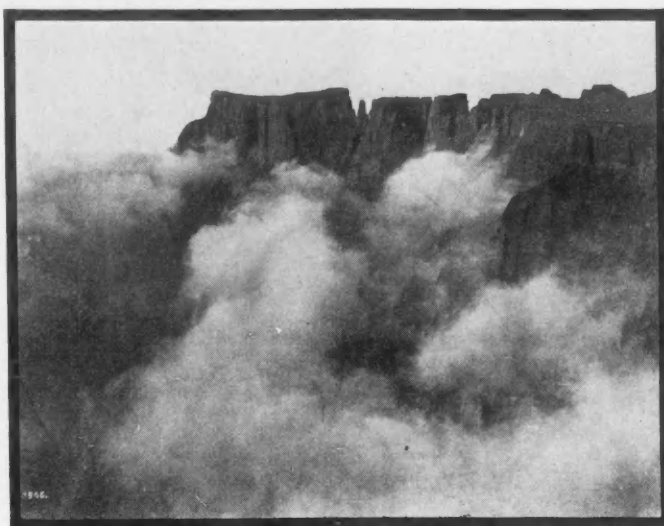
The author was a participant in this curious tale of the veld. Back in 1923 we were hunting along the banks of the Oliphants River in the North Eastern Transvaal, near the boundary of the Kruger National Park, then known as the Sabie Game Reserve. After a fair day's shooting, we had sent our native "boys" ahead with the "bag" of small game while we deployed through the scrub bush along the river bank in the hope of picking up a buck on its way to water.

In the falling light of the western sun, we came upon a young kudu bull browsing on the leaves of some mopani bushes, and the wind being right, came to within 200 yards of him without being noticed. At two hundred he was an easy target, but the light was tricky and we had no wish to follow a wounded kudu in the gathering dusk. The honor of the first shot, therefore, fell to my brother, while I stood by to let go the second, should it prove necessary.

The kudu was almost broadside on, his head angling away as he reached for some particular juicy leaves. I watched while my brother aimed for a shot to the brain. In the same split second that the shot rang out, a tawny shadow leaped and fastened on the kudu's neck. Both plunged earthward. Then there was no further movement.

We went forward cautiously, ready to fire at anything moving in the long grass. In the small clearing where the kudu had been browsing lay not only the buck, but also a lion! Incredible as it seemed, there they were. Examination showed that the lion had taken the bullet through the brain in the same instant of time that a blow from his mighty paw had broken the kudu's neck and his fangs fastened on the jugular vein.

BIRD-LIFE provides some of the most intriguing of the veld's curiosities. The tick-bird fears no animal. His staple diet is the parasite tick that sucks the blood of the antelope, buffalo, rhinoceros and other fauna, and he is perfectly at home as he clambers along rump and back in search of his food. One of his cousins acts as living tooth-pick to the crocodile. It is no uncommon sight



THE MIST-CLOTHED PEAKS of the Drakensberg. This range, where it forms a mighty barrier between the provinces of Natal, Transvaal and the Orange Free State in South Africa, rises to an altitude of 11,050 feet. The area is now a National Park.

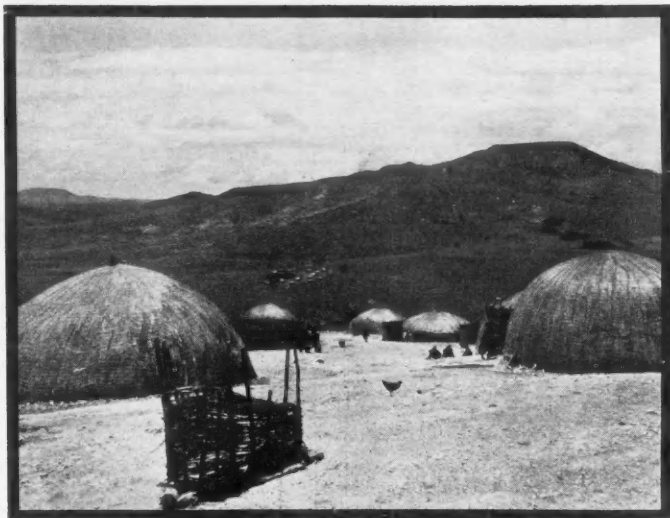
—Photo courtesy South African Railways and Harbors.

bird when it flies across their path and tries to show in every way that it has an important message. When the bird is sure it is being followed, it ceases its chatter and flits ahead, cocking a bright eye now and again to make sure it has not lost its helper, until, arriving at some hollow stump or overhanging rock, it perches itself as though to say—Well, I've done my share, now it's up to you.

When smoke has subdued the anger of buzzing hive the bird is at one's elbow for his share of the dripping honeycomb, ignoring man's presence completely as he dips his bill in sweetness or swallows down the juicy white bee-grubs.

—But leave him some honey. That is the one thing your native "boy" will insist on. Negroes in South Africa have a folk tale of a man who was once shown a hive by a honey-bird, but when he had robbed it he left the bird only grubs.

SO, as he departed with all the sweetness of the hive, the bird followed and called—"I showed you



IN THE ZULU COUNTRY. Typical kraals of the native population in their South African homeland.

—Photo courtesy South African Railways and Harbors.

to see saurians basking on sand banks while the birds busily peck at the interstices between the teeth that line the crocodiles' gaping jaws.

The hunter's bane is the "go way" bird, the policeman of the veld. For days he will ignore man completely; then suddenly he will decide to give shrill warning of an alien presence. And once this dove-like crested creature shrills his call, one may as well pack up for the day. He will follow the hunter all day, his penetrating "go-way" warning every wild thing in the neighborhood to be on the move.

MANY a hunter's trek has been sweetened by the honey-bird who looks rather like a dun-colored robin. He has an insatiable craving for wild honey and bee-grubs and, since he himself cannot rob the hives, some dim ancestral memory of man robbing the bees prompts him to enlist the hunter's aid.

Experienced hunters heed the invitation of the fluttering, chattering

the nest, why then do you leave me no honey?" The man slew the bird and went on his way.

Lo, in a little while the bird again approached and begged for his share of the honey. And again the man slew it; and this time he buried it.

Yet the bird appeared again and cried—"I showed you the nest, yet you left me no honey. Therefore in the fulness of time will I slay you!" And so saying it flew away.

Now the man was a brave hunter and paid no heed to the prophecy. On a day when he was again hunting, the bird appeared once more. And the hunter, forgetful of the prophecy, followed as on other days.

But when he placed his hand within the hollow tree to withdraw the honey there was none—only a venomous snake that struck him so that he died in great agony.

The tale has some foundation in fact, for the bird has been known to enlist man's aid in the destruction of a snake that it has discovered near its nest.



VALLEY OF A THOUSAND HILLS. A scene in Natal Province, South Africa, between Durban and Pietermaritzburg.

—Photo courtesy South African Railways and Harbors.

SOCIAL WORLD

(Continued from Page 14)

Mr. and Mrs. Brian Ireland have motored to California to be absent several months.

Mrs. Charles Becher was a dinner hostess in honor of *les fiancées*, Miss Avis Warren Strang and Mr. Alexander J. Stringer, whose marriage will take place early in September.

Mrs. Sanford Holland entertained at the tea hour for the Misses Rosamund and Barbara Northwood. Miss Margaret Northwood has returned to Montreal.

Mrs. Rupert Reece entertained at the cocktail hour for the Misses Northwood who are such popular visitors in our midst, as did Dr. Lennox Bell. Miss Rosamund sails back to England September 3, while Mrs. Northwood is taking Miss Barbara to Ottawa for the golf championships.

Mr. and Mrs. J. W. Spears of Toronto, formerly of this city, were visitors in town when Mrs. William Whyte entertained at dinner in their honor. After spending a few days here, they left for a trip to the Pacific Coast.

Miss Evelyn Rogers who has been the guest of her aunt, Mrs. Arvin Brown, in Los Angeles has returned home. Mrs. R. G. Rogers has returned from the Lake of the Woods where she was the guest of Mrs. C. G. Carruthers.

Mrs. Dudley Dawson is expected in town to be the guest of Mr. and Mrs. C. M. Taylor. Mrs. Dawson is en route to her home in Toronto after visiting at the Pacific Coast. Latterly she has been the guest of her brother and sister-in-law, Mr. and Mrs. R. R. Brough, who have just been moved to Victoria from Edmonton.

Mrs. Jack Carter has arrived from Toronto and is the guest of her father, Mr. Frank O. Fowler. Mr. and Mrs. Carter have just been moved to Montreal where they will now reside.

Mrs. C. H. Ivey of London, Ont., accompanied by her children Peter, Robert and Joan, is the guest of her brother-in-law and sister, Mr. and Mrs. Philip Chester. Mrs. Chester entertained at a cocktail party in Mrs. Ivey's honor.

Mrs. H. G. Harvey Smith and her daughter Rosemary have returned to town after spending the summer in St. John in the guest of Mrs. Smith's parents, Dr. and Mrs. W. W. White.

Dr. Charles Morse of Ottawa was in town for a few days en route home from the Canadian Bar Association meeting at Vancouver. While here he was the guest of his son-in-law and daughter, Sir Charles and Lady Tupper.

Mr. and Mrs. Brice Evans, of Toronto, who have been spending their honeymoon at Jasper, are spending a few days in town. Mrs. Evans, the former Daphne Allen, daughter of Mr. and Mrs. K. C. Allen of Calgary, is the granddaughter of Mr. and Mrs. Alfred J. Andrews of this city. Mr. Philip McBean entertained at dinner when Mr. and Mrs. Evans and Miss Kitty Finch-Noyes were the guests of honor. Covers were laid for twelve.

HALIFAX

THOSE visitors from Montreal, Toronto, Ottawa, and elsewhere, who in past years have been entertained at the Principal's Residence of Dalhousie University will best imagine the colorful scene when Mrs. Carleton Stanley entertained the recipients of honorary degrees at the Convocation marking the recent Centennial Reunion. The large gardens surrounding the house were in riotous bloom. The spacious residence itself, which was presented many years ago to the University by the Right Honorable R. B. Bennett, was decorated with garden flowers. The distinguished visitors who were to be honored on the following day included Baron Macmillan of Aberfeldy and Lady Macmillan; Sir Walter Langdon-Brown, Regius Professor of Physics, Emeritus, Cambridge; and Lady Langdon-Brown; Dr. Ernest Barker, Professor of Political Science, Cambridge; President Kenneth C. M. Sills, of Bowdoin College, Brunswick, Maine, and Mrs. Sills; Honorable Thane A. Campbell, Prime Minister of Prince Edward Island, and Mrs. Campbell; Honorable A. Allison Dysart, Prime Minister of New Brunswick, and Mrs. Dysart; Honorable A. L. Macdonald, Prime Minister of Nova Scotia, and Mrs. Macdonald; President A. G. Hatcher, Memorial University College, St. John's, Newfoundland, and Mrs. Hatcher; George D. Finlayson, Superintendent of Insurance, Ottawa, and Mrs. Finlayson; Dr. D. A. MacRae, Osgoode Hall, Tor-

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Onto, and Mrs. MacRae; Dr. Walter C. Murray, President Emeritus, University of Saskatchewan, Saskatoon, and Mrs. Murray; Honorable G. H. Sedgewick, Chairman of the Tariff Board of Canada, Ottawa, and Mrs. Sedgewick.

The Governors of the University and their wives, and the Professors and their wives, were also present—about two hundred in all.

WEDDINGS

QUEBEC

Grant-McInnis—On Saturday, August 27, Elizabeth, daughter of Mr. and Mrs. Robert Alexander McInnis, to Mr. Alastair Grant of Montreal, son of Mr. and Mrs. Edward C. Grant.

OAKVILLE, ONT.

Chatterton-Nisbet—On Saturday, August 27, Alison Mary, elder daughter of Mr. and Mrs. E. V. Nisbet, to Mr. Bernard James Chatterton, son of Mr. and Mrs. A. Chatterton, of Kilgarron, Enniskerry, County Wicklow, Ireland.

OTTAWA

Rainboth-O'Connor—On Saturday, August 27, at St. Mary Margaret's Church, Nora Margaret O'Connor of Montreal, daughter of the late Mr. and Mrs. Daniel O'Connor of Ottawa, to Mr. John Edgar Rainboth of Bathurst, N.B., son of Mrs. Rainboth and the late E. J. Rainboth of Ottawa.

ENGAGEMENTS

OTTAWA

Higgins-Coristine—Virginia, youngest daughter of Mrs. Coristine and the late William Coristine, to Mr. Eric Higgins of Sanderstead, Surrey, England. The marriage to take place in England this autumn.

VANCOUVER

Finucane-Taylor—Kathleen Elliott Austin, eldest daughter of Mr. and Mrs. Austin C. Taylor, and granddaughter of Mrs. Taylor, of Toronto, and the late George C. Taylor, and of Mr. E. J. Elliott, Vancouver, formerly of Winnipeg, and the late Mrs. Elliott, to Mr. Francis John Finucane, of Pasadena, California.



STURDY MEMBERS of a strong race are these Zulu women. The native population of South Africa is a source of great interest to all visitors.

—Photo courtesy South African Railways and Harbors.

—London Letter

THE GROUSE SEASON HAS BEGUN

August 15th, 1938.

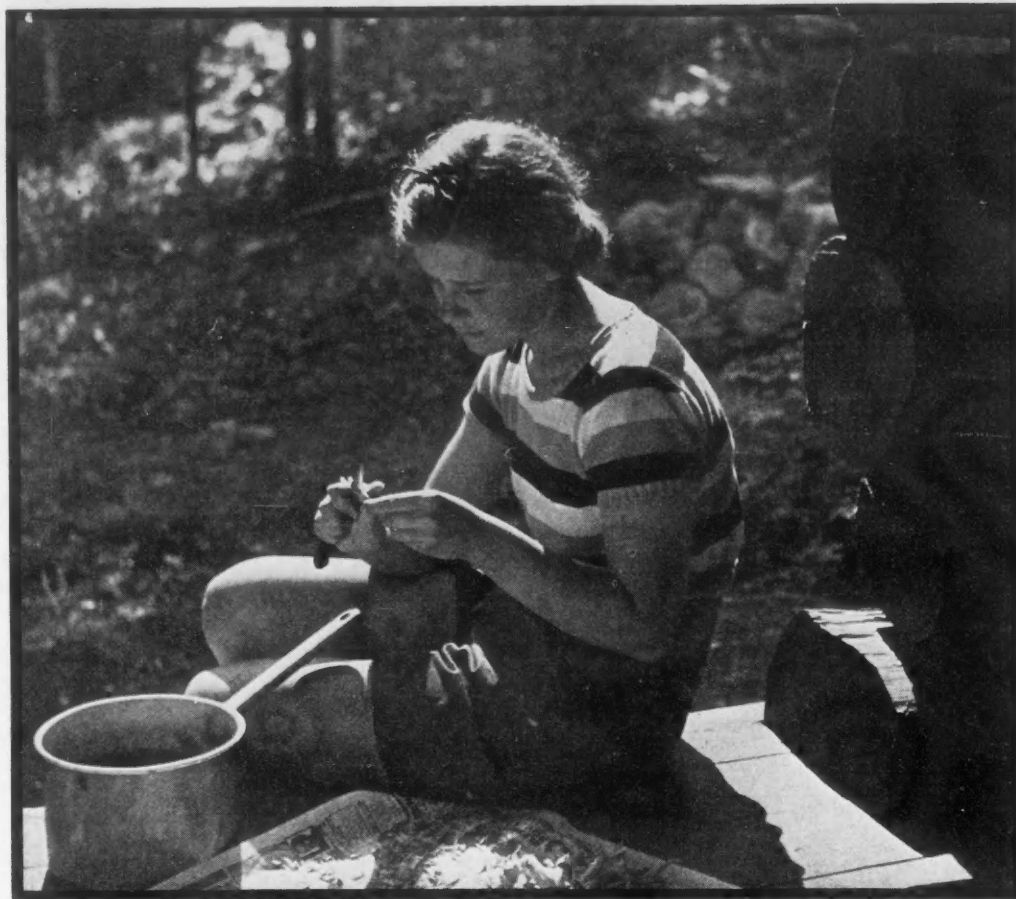
UP ON THE northern moors at the present time some seven thousand or so persons in tweeds are wandering about amid the heather, stepping high like horses with spring-halt, or sitting behind ramparts on funny little sticks with hammock-seats on the top. They have guns in their hands. If they are really "posch" persons, they have a man standing behind them with another gun, ready to hand them when they have loosed off the first one. Every now and then they bang away, and a brown bird comes crashing down—or perhaps it doesn't. The Grouse Season has begun.

You may not think it especially sporting to sit in a butt and have the birds driven up to you. You may think it even less sporting to spend some eight months of the year carefully nursing and guarding them—bringing them up almost by hand—and then spend the remaining four slaughtering them by the thousand. But let us not start that argument!

About questions of sportsmanship, as about questions of taste, there is no useful disputing. Enough that grouse-shooting is the custom of these islands at this time of year for such persons as can afford it—including a good many who come all the way from Canada and the United States to do it. They pay their money and they take their fun.

Nice lot of money it takes, too! You know the old saying, "Up goes a sovereign, bang goes a penny, down comes half-a-crown." Well, it is literally true. Whether you rear and shoot your own birds, or hire some estate where all the preparatory work has been done for you, that is what it costs—just about a pound a bird. And half-a-crown each is what the poulterer will give you for them.

Not a very profitable investment, you may think. But then nobody goes grouse-shooting as an investment. The wealthy sportsman has his fun. The poor Scotch laird or northern squire, who lets his "shoot," manages to live for the rest of the year on the proceeds. An army of poor devils earn a bit as beaters and attendants.



"SUNNY TASK" by Charles H. Blair, 56 Sparks St., Ottawa, winner of the second prize in the August 20 judging of the "General" class in the Summer Photograph Competition. Rolleiord camera, Agfa Superpan film, 1/50 at F.6.

The railways, the gunsmiths, the wine-merchants—they all get their whack out of the 2,000,000 pounds or so annually spent in connection with the sport. And the rest of us get a very pleasant and inexpensive change of diet. The plump brown bird is, in fact, a universal benefactor. Long may it flourish!

YOUNG Mr. Malcolm MacDonald is one member of the Cabinet who seems to go from strength to strength. He was a great success in the Dominions Office. He looks like being an even greater success as Secretary for the Colonies. Public respect for his ability and energy, and public confidence in his good judgment, grow apace. He has a way of accomplishing important tasks, like that Irish agreement, with a minimum of fuss.

Last week he returned from a flying visit to Palestine, of which hardly a word was heard until it was over—in gratifying contrast to the methods of Mr. Hore-Belisha, for instance. The Secretary for War is undoubtedly a very able and forceful man, but he never seems to go anywhere or do anything without an attendant army of newspaper correspondents and photographers. It may be good business, as part of the general effort to make the nation war-minded, but there is a point at which it becomes wearisome—and a little absurd. The Army, after all, is not a one-man show.

Mr. MacDonald, on the contrary, is a very quiet, reserved young man, with an air of diffidence which is said to be at times a very useful asset to him in negotiation. Opponents are apt to be rather sorry for this shy, almost timid young man, until they wake up to wonder if perhaps they shouldn't be a little sorry for themselves. There is nothing at all diffi-

dent about the way his mind works. Besides, when he chooses to make use of publicity—not for himself, but for the things he has at heart—he does so with a success all the greater because he doesn't ride the poor jade to death. His broadcast last week on his return from Palestine was a first-rate performance, clear, impressive, giving the essentials of the situation in all their gravity and difficulty, but holding out the promise of early and effective action. A sobering, but also heartening statement—the kind you expect from a statesman.

ONCE upon a time—though it is really only a matter of seven or eight years ago—there was in London a little ice-cream merchant named Emilio Scala. Oh, sure, one of the Aryans from Italy! He was very busy and very happy, with his wife and two sons, who all lent a hand in lading out the chilly confection and shaking up the fancy drinks.

One day the Bad Fairy suggested to him that he ought to buy a ticket in the Irish Sweep on the Grand National. He did, and the ticket won 358,000 pounds. Yes, I mean it—358,000 pounds! That is where Emilio's troubles really began. He had sold shares in the ticket in the careless way one does such things, and he found himself engaged in a series of jaw-suits which took the courts over a year to straighten out. When the dust finally cleared away, and his partners and the lawyers had all had their whack out of it, he found himself with only 82,000 pounds.

Still a lot of money, you might say—still enough for happiness. But, in Emilio's experience, happiness and money don't seem to go together. Thousands of people sent him begging letters, or tried to sell him things. Relatives swarmed down on him.

Gangs threatened him. His friends quarrelled with him.

He wouldn't have minded all this so much, being a stout and rather hard-headed little man, if only he could have got some fun out of his money. He found that he couldn't. Neither could his wife, whose only relief was to do the cooking and scrub the floors in the handsome house he bought for her. Neither could his sons, who spent their time dashing around in high-powered cars and getting into trouble of one sort and another. Then one day the boys came to him.

"Say, pop," they said (or something Italian to the same effect), "when are we going to do a bit of honest work?"

"Corpo di Bacco!" said Emilio (you know the way good Italians are all supposed to talk), "let's open an ice-cream parlor!"

Now in the North End Road in Fulham there is a brand-new ice-cream parlor, all green and cream color, where four of the happiest people in London are busy filling cones, making ice-cream sandwiches, slapping gobs of the stuff into plates, shaking up the same old gaudy drinks. They are back where they were before the Bad Fairy started messing about with their lives.

They still have their money—most of it—but they are just letting it lie. They have discovered that the only real fun in money is making it—and not too much of that. Emilio, in fact, has become a philosopher.

ANOTHER man who isn't fooled by money is Sir Walter Citrine, K.B.E., general secretary of the Trade Union Congress, and practical head of the Labor movement in this country, as well as president of the International Federation. His present salary is 750 pounds a year, but it is now said that the General Council may raise it to 800 pounds—if his 4,500,000 bosses agree. This for a man who could easily earn about 10,000 pounds a year, if he chose to go into business!

Citrine doesn't object to poverty—in reasonable moderation. Neither does his wife. They married when he was earning 2 pounds a week as

THE GIFT OF LIFE

LET the past as twilight be,
Sorrow all be dead;
Let the dawn for you and me
Lift a lovelier head.

Never anguish pressed the heart,
Never beauty died,
But their fair immortal part
Lived on sanctified.

So, when shines the morning star,
Griefs pass hence and home,
And from sorrows, streaming far,
Perfect song shall come.

Time and tears our portion seem,
But all these above
Wakes one Truth like April dream:
Out of life comes love.

NATHANIEL A. BENSON.

an electrician. And they still live in a modest little house in the suburbs, where she does all her own work—assisted, it is said, by an amazing array of electrical gadgets of all sorts. But naturally, if you have an electrician for a husband, you expect that sort of thing.

Citrine is a man of very remarkable ability and attainments. If he had any ambitions outside the Labor movement, there would be no difficulty at all about satisfying them. When he accepted his knighthood in the Jubilee Honors, he brought about his ears a tornado of bitter criticism from trade-unionists. But, as a matter of fact, he has twice refused a peerage. Just didn't want the thing. He would have been a very powerful addition to the Labor forces in



MISS HONOR CAREY, second daughter of Mrs. Drummond-Hay of Winnipeg, formerly Mrs. Raymond Carey, and Mr. Raymond Carey of London, England, whose engagement to Mr. Peter Bailey, son of J. MacDonald Bailey of Newcastle, England, has been announced. Miss Carey who currently resides in Durham, England, was until 1933 a resident of Oakville, Ontario. The wedding will take place in England in the second week of September.

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Term begins Sept. 14th with vacancies for a limited number of children in the Pre-Kindergarten—and Kindergarten. Interested parents should write or phone secretary for prospectus or to arrange to visit the school.

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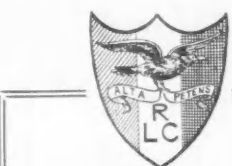
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TRAVELERS

Mrs. Arthur Morrice, Miss Eleanor Morrice and Mr. David Morrice, who sailed early in July for England, en route to the South of France, are expected in Montreal about the middle of September.

Dr. and Mrs. J. N. McKinley and their daughter, Miss Jean McKinley, of Toronto, have been spending the summer at Camp Wabi-Kon, Temagami, Ont.

